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TITLE OF THESIS/*TITRE DE LA THÈSE* ODLUM : CANADA'S FIRST AMBASSADOR TO CHINA

UNIVERSITY/*UNIVERSITÉ* ALBERTA

DEGREE FOR WHICH THESIS WAS PRESENTED/*GRADE POUR LEQUEL CETTE THÈSE FUT PRÉSENTÉE* MASTER OF ARTS

YEAR THIS DEGREE CONFERRED/*ANNÉE D'OBTENTION DE CE GRADE* 1977

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ODLUM: CANADA'S FIRST AMBASSADOR TO CHINA

by

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A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE

OF MASTER OF ARTS

DEPARTMENT OF HISTORY

EDMONTON, ALBERTA

FALL, 1977

THE UNIVERSITY OF ALBERTA

FACULTY OF GRADUATE STUDIES AND RESEARCH

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research, for acceptance, a thesis entitled ODIUM: CANADA'S FIRST AMBASSADOR TO CHINA submitted by GEORGE FREDERICK MCNALLY in partial fulfilment of the requirements for the degree of Master of Arts.

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Date 14 September 1977

ABSTRACT

This study investigates the first diplomatic contact between Canada and China in the 1942-1945 period, as carried out by Canada's war-time representative to China, Major-General Victor W. Odlum.

The approach taken is one in which a discussion of the actual reasons for establishment of relations and the method of selection of General Odlum, is followed by a topical investigation in which Odlum's approach to his position and those around him is dealt with. The topics considered are: Odlum's views of China and the Chinese; his analyses of Chinese politics and evaluation of political figures; and, a description of the various policies and proposals that he recommended to either or both the Chinese and Canadian governments. Finally, the General's diplomacy is evaluated in terms of effectiveness and impact. All of these topics are, of course, considered from a Canadian viewpoint and, as such, are as much an investigation of Odlum's attempts to educate the Canadian government to "things Chinese", as they are a description of the foreign policy Canada pursued in China during World War II.

Since there is a definite shortage of secondary materials on this first embassy to China, this discussion is based almost entirely upon information found in either the National Archives of Canada or at the Historical Division of the Department of External Affairs. Additional information was also derived from General Odlum's personal documents which, at that time, were being held by his son in Vancouver but which are presently in the process of being moved to the National Archives in Ottawa. One final source of information was through correspondence and interviews with individuals who served in China under General Odlum.

ACKNOWLEDGEMENTS

The writer gratefully acknowledges the contribution of the chairman of his committee, Dr. Brian L. Evans, as well as that of the other committee members, Dr. Grant Davy and Professor James Barrington.

I would also like to express appreciation to the staff of the National Archives in Ottawa, and the members of the Historical Division of the Department of External Affairs, particularly M. Blanchet, for all their assistance.

Finally I must thank Mr. Roger Odlum of Vancouver who showed me every kindness possible while making available his father's personal documents, without which this thesis would lack certain critical information.

G. Fred McNally

TABLE OF CONTENTS

CHAPTER	PAGE
INTRODUCTION	1
I. THE ESTABLISHMENT OF THE CANADIAN LEGATION	3
II. ODLUM ON CHINA	22
Problems with Chinese Lifestyle	23
Government and Political Problems	29
Military Problems	37
Economic Problems	46
Problems for China's Allies	54
III. ODLUM ON CHINESE PERSONALITIES AND POLITICS	60
Personalities	61
Political Processes and Institutions	79
IV. SUGGESTIONS, RECOMMENDATION, AND POLICIES	93
Military Recommendations	94
Political Policies	103
Economic Policies and Recommendations	122
Miscellaneous Recommendations and Responsibilities . .	147
V. AN EVALUATION	151
BIBLIOGRAPHY	160
APPENDIXES	167
APPENDIX 1. Digest of Interviews Held by General Odlum in New York and Summary of Tentative Conclusions Reached . .	168
APPENDIX 2. Odlum's Proposal for a Canadian Program in China	176
APPENDIX 3. Communications Re: Commercial Representative in Chungking	180

INTRODUCTION

The outbreak of World War II between Canada and Japan placed the Government of Canada in a rather peculiar position. Although she had had a representative in Tokyo for several years, Canada had never established diplomatic relations with her new ally, China. However the need for a united front against the Japanese enemy changed this situation and it was deemed necessary to accord recognition to China, to choose a representative to go to Chungking, and to carry out Canada's war-time diplomacy with China through that representative.[1] The man chosen to act on Canada's behalf was Major-General Victor W. Odlum of Vancouver, at that time Canadian High Commissioner to Australia.

Who was this man who was going to Chungking to represent Canadians? A long-time resident of British Columbia, Odlum had devoted most of his life to the newspaper business, first as a reporter, later rising to the positions of Managing Editor and Vice-President of one Vancouver publication. In 1924 he became the owner of a Vancouver daily newspaper (Daily Star), which he continued to operate until 1932. During that time period he also pursued a business career in the insurance and investment fields, followed by a period of public service as a member of the Board of Governors of the Canadian Radio Broadcasting Commission. As a long-standing member of the Liberal Party, the General ran for Parliament unsuccessfully in 1921, then in 1924 successfully contested

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[1] Canada's desire for such representation in China may have been a reaction to perceived "slights and snubs" by the United States, and as such may well have been a continuation of a policy of "self-interest and nationalism" suggested by J. L. Granatstein on page 151 of Canada's War: The Politics of the Mackenzie King Government, 1939-1945.

the British Columbia provincial election. Notwithstanding the above endeavors, the area in which his greatest successes came was the military. His career with the Canadian army, both on active duty and as a reservist, spanned the period from 1899 to 1941. During this time he rose from the rank of Private to that of Major-General, which he held at the time of his transfer from active service in Europe to the Canadian Diplomatic Corps in Australia in 1942.

However, none of the above data explains why a study of General Odlum's career in China would be useful. Such an explanation must be based on two separate factors: that Odlum was the first Canadian representative in China and was, therefore, breaking new ground, both in terms of his own career and also in terms of Canadian public relations in Asia. Second, the General's work deserves study because of the rather striking similarity between some of the policies advocated and conclusions reached by General Odlum and those of the present Canadian government. These particularly applied to: the need for economic rather than political representation, trade, economic difficulties confronting Sino-Canadian trade, and the benefits to be gained from continued good relations between the two nations.

Therefore, this thesis will trace the career of Major-General Odlum in China during World War II, from the point of view of his descriptions of China at war and his recommendations based on these descriptions. In doing this, Odlum's views of the Chinese, both the powerful and the common citizens, will be described, as will his views on political, economic, and social problems facing China. In turn, the General's recommendations related to these various problems will be discussed. Finally an attempt will be made to determine the strengths and weaknesses of Odlum's diplomacy in war-time China.

CHAPTER I

THE ESTABLISHMENT OF THE CANADIAN LEGATION

Despite an apparent "pro-Japanese" attitude on the part of the Canadian government during the late 1920's and the 1930's (evidenced by the sending of a Canadian Minister to Japan as early as 1928,[1] and by the continued sale of war materials to Japan, but not to China, from 1937 to 1940[2]) the exchange of diplomats and establishment of a Canadian Legation in Chungking appear not to have created any controversy in Canada, either in government circles in Ottawa or in British Columbia where strong anti-oriental feelings existed. However, the question of what criteria should be used to select the man to head this new diplomatic mission in Chungking appears to have caused greater concern. Nor, when various lists of criteria had been considered, did the selection of one man from among the many nominees become an easy task, inasmuch as virtually all those nominated were well-prepared for the position, depending, of course, upon which list of criteria was considered. The man ultimately chosen, perhaps to the surprise not only of himself, but to that of many others who had been nominated, or who had suggested the "type" of man needed for the China posting, was Major-General Victor Wentworth Odlum, to whom the Canadian government entrusted its diplomacy in China for the remainder of the Pacific war.

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[1] H. Gordon Skilling, Canadian Representation Abroad (Toronto: Ryerson Press, 1945), p.235.

[2] A.R.M. Lower, Canada and the Far East, - 1940 (New York: Institute of Pacific Relations, 1941), p.32.

It seems, according to a speech of welcome made to Madame Chiang Kai-shek by Prime Minister Mackenzie King in June of 1943,[3] that the original initiative in proposing the exchange of diplomatic representation came from the Canadian government. Because she already had relations with the two nations who could be of the greatest assistance, both during and after the war--the United States and Great Britain--China probably felt no particular urge to become involved with a "lesser power" such as Canada, particularly when one considered the apparent similarity of attitudes and policies between Canada and the two aforementioned nations.

The Canadian government, however, was of the opinion that there were compelling reasons for establishing separate contacts with the Chinese government, rather than continuing to make use of the "good offices" of the British representative in Chungking. H. Gordon Skilling in his book, Canadian Representation Abroad, suggests the reasons used by the Department of External Affairs to promote the idea of the exchange as follows:

(1) The two countries shared a common membership in the war effort

(2) There had been an increase in the number of matters, such as the sale and purchase of military equipment, which were of common interest

(3) Canada could and probably would become a source of supply for the Chinese war effort

(4) Present contacts through the British had proved to be insufficient

(5) The Canadian government felt a need to prepare the ground for peace negotiations and post-war efforts

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[3] Canada, National Archives, Ottawa, Vol.243, File 2486, Madame Chiang Kai-shek, Plan for Visit of Madame Chiang Kai-shek, June 10, 1943.

(6) Such an exchange would give recognition of Canada's increased role in world politics

(7) The creation of a legation in Chungking would help to remove any feelings of neglect on the part of the Chinese, as a result of the long history of Canadian-Japanese contacts[4].

As a result of some and/or all of the above reasons, on July 31, 1941 Canada's Privy Council approved the proposal to send a legation to China.[5] Royal assent followed on August 11, 1941.[6] Once these formalities were over, the British Ambassador in Chungking was instructed to broach the subject to the Chinese, which he did, gaining their approval by August 24, 1941.[7]

Despite the speed of these negotiations the provision of staff for the legation by the Canadian government was much slower. While the Chinese Minister to Canada had been appointed and was in residence in Ottawa by March, 1942, no corresponding appointment had yet been made by Canada.[8]

The delay may be explained by the thoroughness with which the government undertook to determine what sort of man should be sent to Chungking. Ottawa seriously attempted to receive first-rate advice from at least one recognized Asian expert, and if this procedure was

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4 Skilling, Canadian Representation Abroad, p.253.

5 Canada, Department of External Affairs Archives, Ottawa, File 2172-40, Proposals for Diplomatic Relations with China, Privy Council Minutes, July 31, 1941.

6 Ibid. Privy Council Minutes, August 12, 1941.

7 Ibid. Despatch from the British Embassy in Chungking, August 25, 1941.

8 Skilling, Canadian Representation Abroad. p.253.

repeated with other un-documented interviews then the time lag may well have been justified.

Criteria for the selection of a Minister to China were suggested by Hugh Keenleyside of the Department of External Affairs, following conversations that he had had with the noted Asian scholar, Owen Lattimore. Keenleyside, supported by Norman A. Robertson (also of External Affairs) provided Prime Minister Mackenzie King with the following recommendations:

The criteria necessary for the Canadian minister are that he:

(1) Must know Japan but not be a Japanophile

(2) Must be married

(3) Must have some prior knowledge of China

(4) Must know something of oriental art, philosophy, and history

(5) Should have connections with the Young Men's Christian Association because of its past role in China

(6) Must be sincerely interested in China

(7) Should be a man of learning

(8) Should be soundly progressive, and fairly democratic in his political views[9].

These were not the only criteria that the government considered. There were at least two other correspondents with the Prime Minister who made recommendations. The first of these was a west coast businessman, Harry Hussey, who had had business experience in China during the 1930's. Hussey limited his suggestions to two, which were to bear a striking similarity to General Odlum's two main characteristics. As far as Hussey was concerned, a Minister to China must be:

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9 External Affairs Archives, File 2172-40, Memo from Keenleyside to the Prime Minister, May, 1942.

(1) A military man who could talk to Chiang Kai-shek

(2) A businessman who could deal with the businessmen in the Chinese government[10].

Whether or not Hussey's advice had any direct bearing on the final choice is not known but neither Odlum nor Norman Robertson held Hussey in very high regard. However, despite the feelings of these two men, Hussey's advice seems to have held much greater "sway" with the Prime Minister than did that of Robertson and Keenleyside.

The final group of suggestions should probably have carried at least some weight, coming as it did from the man who was to have been the government's (or at least Norman Robertson's) first choice for the China post. E.J. Tarr, of the Institute of Pacific Relations, was contacted by Robertson in August of 1942 about the new position in Chungking, but he declined it. He appended to his letter of refusal a list of suitable characteristics for a minister. Included in this list were:

(1) The person sent should be free of racial prejudice

(2) The man should not be either a military or business type as the Chinese have a very low opinion of both these occupations

(3) He should come from academic circles, or the social service (but not evangelical) field or from the realm of international affairs[11].

On items 2 and 3 of these criteria, General Odlum would not appear to be even a distant prospect, nor was his name among those originally suggested by the Department of External Affairs; or among the names

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10 Ibid. Letter from Hussey to the Prime Minister, June 15, 1942.

11 Canada, National Archives, Ottawa, Vol. 241, File 2436, Canadian Representation to China, Letter from Tarr to Robertson, October 1, 1942.

suggested by others. As well as Tarr, External Affairs had put forward the names of two other men whom it felt would be suitable: Professor Kenneth Taylor, an economist; and, Dr. George S. Patterson, a former missionary, employed by the Y.M.C.A. in Canada.[12] Tarr and Taylor were both removed from consideration because they were already engaged in crucial war-related activities for the federal government. Although not totally eliminated from contention, they were given a lower priority--Tarr at his own request, and Taylor on direct orders from Prime Minister Mackenzie King. Patterson, although willing to go, felt that because the position was to be a temporary war-time posting only, he could not afford to forego the economic security which he had built up over a number of years employment with the Y.M.C.A.

Another source, mainly rumor, suggested that the government proposed to send W.A. Riddell, the Minister to New Zealand, to China--a fact which worried some Canadians inasmuch as Riddell was connected in some way with an anti-Chinese speech which had been made at the League of Nations. A direct announcement from Prime Minister Mackenzie King dispelled rumors of Riddell's appointment to Chungking, due to a heart condition.[13]

Individuals and interest groups were not backward about putting forward names of people whom they thought might be suitable to represent Canada in China. By far the largest group of possible

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12 External Affairs Archives, File 2172-40, Memo from Keenleyside to Robertson, July, 1942.

13 Canada, Department of External Affairs Archives, Ottawa, File 4622-40C, Proposal to Send W.A. Riddell to China, Draft of News Release by the Prime Minister, October 1942.

candidates suggested by a non-governmental agency came from the United Church of Canada, which recommended the following men: Edward Cory Wilford; Herbert Alexander Boyd; Leslie Gifford Kilborn; Gerald S. Bell; and E. Bruce Copland, all of whom were missionaries already in the field in China.

What is unusual about all of these suggestions is that in none of them was Victor W. Odlum's name included. In fact, no consideration appears to have been given to anyone with experience in the military, or in the Department of External Affairs. Furthermore, it seems that General Odlum was unaware that his name was being considered for the China posting. When he was informed of his new assignment at his office (High Commissioner to Australia) on October 12, 1942[14] it must have come as a considerable shock to him since he had had less than one year's experience in the diplomatic corps, and had made it plain on a number of occasions that he would much prefer to be back in the army in Europe.

At any rate, the decision to send Odlum to China had been made; by what means his selection was arrived at is, at best, unclear. Perhaps only Prime Minister Mackenzie King ever knew the rationale behind the choice, but if so, he did not confide it to his diary. However, at one time a possible reason was suggested by the Prime Minister for the choice of General Odlum. He stated that Odlum was being sent to China "because of military qualifications and intimate knowledge of the war situation in the South Pacific."[15] Nonetheless, by whatever

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[14] Canada, National Archives, Ottawa, William Lyon Mackenzie King Private Papers, Memo from External Affairs to the High Commissioner to Australia, October 12, 1942.

[15] External Affairs Archives, File 4526-40C, Draft Statement by the Prime Minister Regarding Appointments of Ministers to China and the U.S.S.R., November 6, 1942.

means and for whatever reason he was chosen, Odlum's appointment as Minister to China was given Privy Council approval on November 5, 1942.[16]

The foregoing is not meant to imply that General Odlum was unqualified for the China post. Having spent three years in Japan as a boy gave him an interest in things oriental which was to accompany him for the rest of his life. In addition, a long career in the field of journalism in British Columbia, as well as a period as a Member of the Legislative Assembly of British Columbia, served to keep him in touch with both domestic and international politics and political processes. His military record was one of distinguished service and obvious capability, rising as he did from the rank of private to that of Major-General.[17] It was in this latter sphere that his greatest interest lay and throughout his diplomatic career in both Australia and China he continued to ask to be returned to his position as commander of the Canadian Second Division in Europe, where he felt his talents might be better used.[18] As can be seen, these various

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16 Canada, National Archives, Ottawa, Vol. 310, File 3291, Odlum, Privy Council Minutes, November 5, 1942.

17 External Affairs Archives, File 4526-40C, Draft Statement by the Prime Minister Regarding Appointments of Ministers to China and the U.S.S.R., November 6, 1942.

18 It is possible, although not stated specifically, that Odlum was removed from his position in Europe due to an error of judgement that he committed, in allowing Canadian troops under his command to be divided and allocated out to British commanders during a war exercise in January, 1941, as noted by C.P. Stacey, Arms, Men, and Governments (Ottawa: Queen's Printer, 1970), p.215. As this decision was in direct contradiction to the policy being pursued by Odlum's Commanding Officer, General Andrew McNaughton, as noted in John Swettenham, McNaughton (Toronto: McGraw-Hill Publishers, 1968), p.166, it may explain why General Odlum was taken out of Europe and assigned to the Department of External Affairs.

attributes qualified General Odlum under a number of the criteria that had been suggested for the China position. However, the nature of China at war made Chungking a very odd place to send a man whose total diplomatic experience was limited to less than one year as High Commissioner to Australia.

General Odlum's posting to China was also viewed with some skepticism within the Department of External Affairs, especially by Norman Robertson. While in Australia, Odlum had had to be "straightened out" by the Prime Minister himself on certain questions of government and departmental policy when the former had overstepped the role which the Canadian government thought he should be playing.[19] As well, there seemed to be some questions as to whether or not Odlum's personality was particularly well-suited to the field of external affairs, as the following quotations from letters by Norman Robertson indicate:

> I feel the need of someone at Chungking who could act as second in command and supplement Odlum's good but not always predictable qualities.[20]

> I must confess, I saw Odlum off with mixed feelings. He has many fine qualities and may be a very successful Minister. His assurance and confidence in his own judgment is, however, rather frightening. Patterson is steady, modest and competent and I hope Odlum will get in the habit of consulting him and taking his advice on local situations.[21]

If this was the attitude of the Department of External Affairs

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19 Canada, National Archives, Ottawa, Vol. 277, File 2860, High Commissioner to Australia, Letter from the Prime Minister to the High Commissioner, February 12, 1942.

20 Canada, National Archives, Ottawa, Vol. 317, File 3345, George S. Patterson, Memo from Robertson to the Prime Minister, January 5, 1943.

21 National Archives, Vol. 310, File 3291, Memo from Robertson to the Prime Minister, January 18, 1943.

toward Odlum's appointment, what then was the General's reaction to his new posting? While this is never stated explicitly, it is likely that he viewed the transfer to China as a mixed blessing. As a reluctant diplomat, whose first love was the army and who felt that his transfer into External Affairs had caused his personal prestige to suffer,[22] he would view any transfer other than back to a fighting role, with some degree of distaste. However, as a diplomat who felt himself being wasted in Australia ("If no Canadian troops are to be sent to Australia, then I might as well be transferred somewhere to another task where I can actually accomplish something."[23]) Odlum may well have viewed the new post as a challenge which would actually test his abilities. In fact, at one point he went so far as to suggest that another diplomatic post where something was happening, "such as South Africa, Russia, or China"[24] would be of much greater interest to him than the position he then held in Australia. Odlum might well have looked forward to China as the "lesser of two evils" while still desirous of a return to Europe.

If Odlum's reaction to his new appointment could be characterized as mildly enthusiastic, that of some leading Chinese, especially in the United States, was quite the opposite. In particular Hu Shih, the former Chinese Ambassador to the United States, was very disappointed in the Canadian choice. He communicated his displeasure to the

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22 National Archives, Mackenzie King Private Papers, Letter from Odlum to the Prime Minister, December 7, 1941.

23 National Archives, Mackenzie King Private Papers, Letter from Odlum to the Prime Minister, February 1, 1942.

24 National Archives, Mackenzie King Private Papers, Letter from Odlum to the Prime Minister, July 16, 1942. (Italics in original)

Canadian government in a letter to Norman Robertson. He judged Odlum to be a poor choice because:

(1) Odlum was from British Columbia, a province which had traditionally been intolerant toward China and Chinese

(2) Odlum was a soldier, a very unpopular class in China

(3) Odlum was too old [age 62 at the time of his appointment] to remain in China for very long

(4) Odlum had, through his various newspapers, in the past expressed certain views of China which the Chinese government disapproved of quite strongly.[25]

That these views were not just one man's opinion but also existed in Chinese governmental and business circles is evidenced by a letter from Harry Hussey to Prime Minister Mackenzie King in late 1942, in which he noted that correspondence from his friends in China indicated a degree of irritation because, "Odlum is not as young a man as they would have wanted, and also because he is from British Columbia, where many people are noted to be anti-Chinese."[26]

Whether for these reasons or not, the Chinese government was reluctant to accept General Odlum as Canadian Minister to China. In fact, the delay in acceptance was of sufficient length to cause real concern in Ottawa. It was not until February of 1943 that Chinese approval of Odlum's appointment was finally given.[27]

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[25] External Affairs Archives, File 2172-40, Letter from Hu Shih to Robertson, November 15, 1942.

[26] Canada, National Archives, Ottawa, Vol. 280, File 2901, Harry Hussey, Letter from Hussey to the Prime Minister, December 29, 1942.

[27] External Affairs Archives, File 4526-40C, Letter from the Chinese Minister to Canada to Robertson, February, 1943. There is a very peculiar aspect to this situation which seems to defy all diplomatic sense. Why would the Canadian government announce that it had selected Odlum as its Minister to China as early as November, 1942 (see footnote 15), and send him to the United States to do preparatory research in January, 1943 (see footnote 21) before he had been formally accepted by the Government of China? It would have been very embarrassing for Canada if the Chinese had not accepted Odlum's appointment, and thus, such an announcement would appear to be an unprecedented step in international diplomacy.

To General Odlum's credit it must be noted that once confirmed in his appointment to Chungking, he made a serious and determined effort to acquaint himself as fully as possible with conditions in China, from sources in Canada and the United States. Foremost among these efforts was a series of discussions that he held in New York and Washington with leading Chinese officials, and with various China experts and "old China hands". The individuals interviewed were: Madame Chiang Kai-shek, with whom he was very impressed; Hollington Tong; Madame Wellington Koo (from these three he claims to have learned a great deal about China); Lin Yutang, who was too "anti-white" for the General's liking; Hu Shih: K.C. Li; Li Yu Ying; Kinn Wei Shaw; Wei Tao-ming; Harry Hussey; Pearl Buck and her husband; Eliot Janeway; Sir John Dill; Eugene Lyons; George Taylor; C.V. Starr; and, Agnes Smedley. (A more complete description of these interviews appears in Appendix I.) Among these individuals, Odlum appears to have placed the greatest faith in his Chinese sources, and the least faith in those individuals who were in any way connected with Russia or who had "leftist leanings."

Of particular note, as far as Odlum was concerned, were the perceptions of the Kuomintang - Chinese Communist Party relations that he received from Lin Yutang and Pearl Buck. The former surprised the General by explaining that in the Sian area the KMT forces were not fighting the Japanese but were instead poised to block any threat to Chungking from the CCP forces.[28] Buck added to this new picture by stating that although cooperation between the two groups was presently

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[28] Ibid. Digest of Odlum's Conversations in New York, March 29, 1943. It is odd that Odlum would not have been better "briefed" by External Affairs so that he would not have found such comments so surprising.

working, its possibility of continuing after the war was quite small.

In terms of international politics, Odlum also began to understand the intricacies of the diplomatic corps working in Chungking. From these conversations he became aware of the difference in attitude toward the Chinese held by the British on the one hand, and the Americans on the other--the British being strongly opposed to the Chinese government and its propaganda directed to the rest of the world; the Americans strongly favorable to the KMT and its government (with the exception of their ambassador, Gauss, who it seems took as "hard" a position as any British official.[29]) In fact, Odlum was even approached by Madame Chiang Kai-shek in an attempt to have him use whatever influence he might have with the British to have them moderate their position on China.[30]

As a result of these many discussions, General Odlum reached a number of conclusions about China and its allies which helped shape the attitudes that he took with him to China, and his view of the role he was to play while there. He concluded:

(1) China is friendly to Canada but disappointed in our immigration policy

(2) China needs the psychological "spur" of recognition right now more than she needs actual material aid

(3) China is self-confident in her ability to defeat Japan

(4) Many people feel that the futures of India and China are linked inextricably

(5) Much of the United States' enthusiasm for China is only a public show and there is much less private enthusiasm

(6) The Canadian legation in China needs an airplane so that it will not be dependent on the British or Americans

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29 Ibid.

30 Ibid. Memo from Odlum to Robertson, January 1943.

(7) There should be radio communications established between Canada and China, and the Canadian legation should include someone who can handle all aspects of such communication.[31]

The New York conversations seem to have infused Odlum with a certain amount of joy at his new posting--"I go to China full of enthusiasm. I will take with me both good will and an open mind."[32] As well, the reality of the limited size and potential of Canada's role in China appears to have struck him. Writing to Prime Minister Mackenzie King, Odlum commented, "I know that Canada cannot do much there [China] but she can 'be' a great deal. On the physical side Canada is completely overshadowed by Britain and the United States. But one does not need to be big to be spiritual or intellectual."[33] His attitude toward the Chinese had also changed since he was High Commissioner in Australia. At that time he had commented, "from hearing about the small number of Japanese in China, I conclude that the fighting value of the Chinese is very low, and that the loss of the Burma Road will result in Chinese collapse."[34] Only a year later he was to write, "I have decided to see everything from a pro-Chinese angle . . . I intend always to be factual but I will always seek the Chinese interpretation."[35] His rationale for this new posture was that if he

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[31] Ibid. Digest of Odlum's Conversations in New York, March 29, 1943. The divergence between item two and some of Skilling's reasons for recognition (see footnote 4) is peculiar and, at present, inexplicable.

[32] National Archives, Mackenzie King Private Papers, Letter from Odlum to the Prime Minister, February 21, 1943.

[33] Ibid. Letter from Odlum to the Prime Minister, March 6, 1943.

[34] Ibid. Letter from Odlum to the Prime Minister, February 24, 1942.

[35] Ibid. Letter from Odlum to the Prime Minister, May 31, 1943.

did not follow this approach he would never gain the confidence of those who really mattered. As far as his responsibilities to the Canadian government were concerned, he described them in the following manner, "If I am going to be successful it will be revealed by a reasonable interpretation of what China is trying to do . . . it will give an understandable explanation of the strange 'war' that is not being fought."[36]

The last description of what he felt should be his duty while in Chungking is further elaborated in his first despatch from the Chinese capital, in which he described what he felt would be the best program for Canada to undertake in China. Included in the despatch is the following statement, which seems to summarize Odlum's view of his first and foremost responsibility to the Department of External Affairs:

> There is no doubt that, even before transportation should come information; and it is on "information" that we are working at the present time. We are doing everything we think we can, taking the restrictions on movement into account, to unearth dependable information about the Chinese scene and intentions, and to transmit it to you in understandable form.[37]

It was toward this purpose of information collection that Odlum made most of his requests for additional or specialized staff for the legation. In the case of this despatch the request was for a military draftsman to act as mapmaker, while previous letters had suggested a need for a newspaperman to provide information to Canadians other than in the government. There was, additionally, one specific area of

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[36] Ibid. (Italics in original)

[37] Canada, Department of External Affairs Archives, Ottawa, File 4851, Canada-China Relations: General, Despatch from the Legation in Chungking, October 25, 1943. (Italics in original)

policy that Odlum felt it his duty to undertake in the discussion of changes in the two countries' existing immigration policies. It was Odlum's contention that what was needed was some form of reciprocal agreement and that if this were to be granted, the Chinese government would not be particularly difficult to deal with.[38]

The position of the Canadian government in this case was similar but not identical to that of General Odlum. External Affairs also agreed that the question of immigration was one that the General should take up with the Chinese as soon after his arrival as possible. However, despite concurrence that this topic was the one major stumbling block in relations between the two countries, the view of Canadians in the Department of External Affairs did not seem to be as far advanced nor as conciliatory as that of their representative in Chungking. Late in 1942, Norman Robertson suggested to the Prime Minister that what Odlum should attempt to arrive at was an agreement which would, "retain the ban on permanent Chinese immigration into Canada but would do so in such a manner as to spare Chinese sensibilities."[39] If this was the "line" which Odlum was expected to follow it must have made his discussions with the Chinese on this topic quite uncomfortable.

If on this occasion the Department of External Affairs did make its views known to its Minister it was one of the few times that it did so. In early September, 1943 the General sent a telegram to Norman Robertson requesting both an appreciation of the existing situation in China,

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[38] National Archives, Mackenzie King Private Papers, Letter from Odlum to the Prime Minister, May 31, 1943.

[39] Canada, National Archives, Ottawa, Vol. 281, File 2909, Chinese Immigration, Memo from Robertson to the Prime Minister, October 28, 1942.

from the viewpoint of the Department, and also asking for instructions as to exactly what role was expected of himself and the legation staff. He received in reply a three page letter of which the first two pages dealt with the existing situation in a very sketchy fashion, under the headings of: economics, politics, military, mutual aid, rehabilitation, and trade. At the end of the letter Robertson provided the following instructions:

> We should follow a positive policy (rather than following in the wake of other industrial and agricultural nations) and, at the same time, carefully watch internal developments in China in the hope that she will have the political and economic strength to play her part in the post-war partnership.[40]

This appears to be the sum total of any written description of Canadian policy in China, at least at the beginning of General Odlum's sojourn in Chungking. It may well explain, though, the concern which the Minister displayed with the question of post-war trade and contacts between Canada and China, which will be discussed more fully in Chapter Four.

However, with or without a departmental policy directive, the Canadian Legation to China had to be staffed and established in Chungking. Toward this end, certain staff positions were created to be part of the Odlum ministry. The first of these was the position of Counsellor, which was to be occupied, somewhat surprisingly by the same George S. Patterson who had initially rejected the position of Minister to China because of financial considerations. A Stanford-trained engineer with experience in China, Hiram Wooster, was selected to act as Assistant Military Attache, to complement General Odlum's work in

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[40] External Affairs Archives, File 4851-40, Letter from Robertson to Odlum, September 26, 1943.

the field of military analysis and observation.[41] As a balance to this heavily militarily-oriented legation staff, Mr. Ralph E. Collins was designated as Third Secretary,[42] and, on Odlum's request, a special temporary advisor on Chinese affairs was attached to the legation in the person of Dr. Leslie Kilborn, at the time an instructor at the United Church of Canada-funded West China Union University, and a long-time missionary in China.[43] With this staff (except, of course, for Kilborn) "in tow" General Odlum left Ottawa on January 13, 1943 to conduct the interviews with the Chinese experts mentioned above. On the completion of these, in March, 1943 he left the United States for China. Due to travel arrangements and restrictions he was not actually to arrive in India until April 9, 1943, and did not reach Chungking until May 1, 1943.

The first conclusion that the new Minister came to was that if the Canadian Legation was "to aid in the prosecution of the war, and to build good will toward Canada"[44] then two steps had to be taken. The first of these was to increase the size of the legation staff--especially when he noted that Britain, the United States, and the Soviets, "each have over three hundred on staff."[45]

The second was the construction of an actual physical legation,

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41 Canada, National Archives, Ottawa, Vol. 244, File 2490, China, Memo from Robertson to the Prime Minister, December 15, 1942.

42 National Archives, Vol. 241, File 2436, Memo from Robertson to the Prime Minister, December 19, 1942.

43 Ibid. Memo from Robertson to the Prime Minister, June 4, 1943.

44 Ibid. Letter from Odlum to the Prime Minister, July 26, 1943.

45 Ibid.

essential to the accomplishment of the two goals mentioned above. Odlum began to press strongly for Canadian government approval to build such quarters. For whatever reasons, approval to construct had not yet been given by early November, 1943 with the result that Odlum was becoming quite concerned over the rising costs produced by rampant inflation. Finally approval was granted and construction began in January, 1944.

Notwithstanding these various delays, problems, and temporary setbacks, by May, 1943 Major-General Victor W. Odlum was on location in Chungking and prepared to take up his duties as Canada's representative to the Republic of China. However, no matter how academically or spiritually prepared he may have been, his despatches from Chungking give overpowering evidence that he was neither physically nor mentally prepared for what he actually found there. On the one hand there were the political and personality struggles in the midst of which he found himself deposited. On the other hand were the rigors, both physical and mental, of a backward nation undergoing the ravages of war and enemy occupation. It is on these unexpected intricasies of the China situation that the next two chapters will focus. The first will deal with General Odlum's views of the strange country to which he was accredited; the second will document his analyses of the political situation in that country.

CHAPTER II

ODLUM ON CHINA

The first unquestionable fact of Odlum's tenure in Chungking is that he was not prepared for the different lifestyle and attitudes that he encountered there. Writing in a despatch to Ottawa, Odlum comments, "I found the actual picture so much worse than I had expected that I became quite unbalanced."[1] A number of factors combined to produce this reaction on his part--a reaction which he described as "a growing disappointment."[2]

These factors, which will be the focus of this Chapter, are so numerous that it is best to capsulize them under a few more general headings, chosen for their inclusiveness. Each of these headings is treated as a problem or series of problems, either as problems for China or problems for himself, since this was the way in which Odlum viewed them. In order of significance given to them in Odlum's despatches, the following are the problems to be considered: (a) Problems with Sanitation and Chinese Lifestyle in General; (b) Governmental and Political Problems; (c) Military Problems; (d) Economic Problems; and, (e) Problems for China's Allies.

It should be noted that, despite its connection with topics (b) and (c) above, the entire question of Kuomintang-Chinese Communist Party relations will not be dealt with in this Chapter, but will

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[1] Canada, Department of External Affairs Archives, Ottawa, File 25-D(s), Appreciations of China Situation, Despatch from the Embassy in Chungking, January 27, 1944.

[2] Ibid.

instead be left to Chapter Three in which Odlum's political analyses will be discussed.

In each of these problem areas Odlum found himself having to re-evaluate his own position, to "steel" himself against an impulse to be overly critical, and to attempt, as he suggested he would[3], to see everything from the Chinese viewpoint. In many cases he was successful; in many others he failed. However, despite these failures, his despatches provided the Canadian government with a major source of information about war-time China. Thus, these impressions, for they cannot be called analyses, deserve careful study.

Problems with Chinese Lifestyle

To General Odlum two aspects of life in China which he found highly objectionable were the lack of sanitation and the degree of dishonesty prevalent among almost all Chinese. The former he saw as a personal problem for any and all non-Chinese; the latter he considered to be the more significant problem in that it influenced, or was at least a part of, all the other problems that he identified in China.

In the case of the lack of sanitation, this was a problem about which he had been forewarned by almost everyone he had spoken to and thus he had tried to be prepared for it[4]--but by his own admission he had failed. The filth of Chungking particularly bothered him, and on at least one occasion it impeded his ability to perform his duties:

> If Chungking is the dirtiest place in China, that part of Chungking which lies between the Canadian Mission Business Agency, on

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[3] See Chapter I.

[4] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

> the city side, and the Mission Coumpound, across the ferry on the South Bank is the dirtiest part of Chungking. In the end, I gave up making the trip except when absolutely necessary; for it was blackening my soul.[5]

Odlum was quite capable of understanding the cause of Chungking's lack of sanitation--the crowding of one million people into a city designed (and not well designed at that) for two hundred thousand. However, as is often the case, understanding the cause of something did not make it any easier to live with. What bothered him about the filth was the inability or refusal of anyone to do anything about it, "so filth won the battle and the people just gave up the struggle."[6]

As well, the sanitary conditions in Chungking put the first "lie" to some of the information that he had been given and attitudes he had developed while still in North America: "as I walked, and sweated, and smelled, and cursed inwardly, I could not see China as a 'flowery kingdom' nor the people as the 'dainty Chinese'."[7]

Even worse than the lack of "public decency" about sanitation that Odlum observed, while on his walks, was the effect that observations of the use of water produced on his health.

> I saw the water of the little streams used (and abused) for every sort of purpose, and then poured back, loaded with filth. I saw it, not as a stream, but as something alive, and sinister, and creeping. So I turned against water, and gagged once more, even though I was perspiring quarts and slowly dehydrating. My skin was always rough with crystal salt, which in the end made me wild with prickly heat. I knew what that meant but I could not drink.[8]

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5 Ibid.

6 Ibid.

7 Ibid.

8 Ibid.

Through all of these personal inconveniences Odlum continued to attempt to give China "the benefit of the doubt." Admittedly he sent Ottawa a number of early despatches in which he was highly critical of Chungking's problems.[9] Nonetheless, this summary comment best indicates his attempt at being fair to China. He wrote:

> All of a sudden it dawned on me that what was wrong with China was not wrong with China. It was wrong with me. I had had my own standards of daily habit and cleanliness, to which I thought that other people ought to conform! I knew, or ought to have known, that we have dirty people, and dirty habits in Canada, and habits are not right merely because they are ours.[10]

This attitude, however, did not keep Odlum from attempting to make the rest of the world aware of the conditions that actually existed in Chungking. During one leave period in Canada he spoke to the Toronto Chapter of the Canadian Club, and in his address mentioned his attempt to be a "sanitary corporal" in Chungking and alluded to the conditions in which he was living.[11] Informative as this may have been for Canadians, it was not viewed favorably by the Prime Minister or the Department of External Affairs. In fact, Prime Minister Mackenzie King took it upon himself to go to the Chinese Minister to Canada, to apologize for what he referred to as "some indiscretions in Odlum's speech to the Canadian Club."[12] So once again Odlum fell "afoul" of proper diplomatic procedure as a result of carrying out his duties as he saw them.

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9 Ibid.

10 Ibid.

11 Montreal Gazette, October 4, 1944.

12 Canada, National Archives, Ottawa, William Lyon Mackenzie King Diaries, Vol. 149, p.939.

If General Odlum can be said to have been conciliatory toward Chinese views on sanitation, the same cannot be said of his attitude toward dishonesty in China. While admitting that there were honest men in China, the General entirely dismissed the idea that honesty is a racial characteristic of the Chinese[13], as he had been led to believe in his New York interviews.

> The "honest kindly people" I quickly found only to be honest when measured by an entirely new standard which would invert our conceptions and name as honest the things that we customarily know as dishonest.[14]

In fact, he described dishonesty as a universal evil in China which extended from the lowest levels of society right up through all strata to the uppermost officials. "It is in the little 'squeeze' as it is in the big public graft."[15] What bothered the General about this public dishonesty was, again, as it was with sanitation problems, that everyone knew about it but no one seemed either to care or to be attempting to do anything about it; "everyone in the government, including those right at the top, knows it and accepts it."[16] Furthermore, Odlum was astounded by the widespread nature of the problem, occurring as it did "in the business and public life of China, in the commercial and financial world, in the army, in the government services, and even in the hospitals and other charitable organizations."[17] The only defence ever

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13 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

14 Ibid.

15 Ibid.

16 Ibid.

17 Ibid.

given to him for this behavior--that not everyone in North America was honest--he admitted as true but refused to accept that such dishonesty would be acceptable behavior at the highest levels, as it was in China.

Odlum's only explanation for this general dishonesty was based on the fact that the Chinese appeared to him to have no standards by which to teach honesty, and as well, that they had never looked upon it as having economic or even moral worth: "frankly it does not even seem to be valued as a virtue."[18] For a man such as Odlum, who in many of his despatches made reference to his attempts to be an "honest reporter" or, to give an "honest view", this lack of honesty among the Chinese must have been very trying, especially given the fact that such dishonesty entered into all aspects of the Chinese war effort which he was attempting to evaluate and relay to Ottawa.

One other side of Chinese daily life sufficiently bothered the Minister to cause him to write about it at length in his despatches: the question of Chinese efficiency, or lack of it. "Along with the dishonesty goes sheer inefficiency and actual indolence."[19] This inefficiency he found in two essential aspects of Chinese life--in government service, and on Chinese farms. In the first case Chinese scholars were not (and never had been) expected to work, instead it was sufficient simply to "be" a scholar. The veneration of this attitude accounted for the failure of many government services.[20] This was

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[18] Ibid.

[19] Canada, Department of External Affairs Archives, Ottawa, File 5667-40, China's War Effort, Letter from Odlum to Robertson, September 28, 1943.

[20] Ibid.

particularly noticeable in communications where: "from Chengtu to Chungking, about 360 miles, a letter may easily take a week in transit and a telegram even longer."[21]

Almost as damnable in the General's eyes was the lack of efficiency of the Chinese farmers. Despite having been told on numerous occasions of the "intensively worked Chinese farm" Odlum based his claim of inefficiency on such factors as: man hours applied to unit area, and quality and volume of product produced. Using these criteria he decided that the farmers "do not work, as the West knows work; they appear to toil; but, measured by results, they do not toil at a[illegible]"[22] He ascribed this lack of efficiency to a number of causes which he was sure the Chinese farmer could correct if he wanted to. Among these "correctables" were: small plot sizes; poor and unhealthy fertilization methods; high level of disease because of the first two of these; and a refusal to look after the sidelines of farming, such as fruit trees.[23] What the General seemed to forget was that he was not speaking of farmers in the British Columbia lower mainland, but rather of people living under Chinese conditions. On this occasion it seems that his stated attempt to be pro-Chinese failed him. Perhaps the best way to summarize Odlum's views on Chinese efficiency is to quote from a letter that he wrote to T. H. Kelly, an Australian acquaintance, in which he stated: "China never resents slowing down."[24]

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21 Ibid.

22 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944. (Italics in Original)

23 Ibid.

24 V. W. Odlum Personal Papers, Letter to T. H. Kelly, July 26, 1944.

Government and Political Problems

If General Odlum's descriptions of life in Chungking can be said to be interesting, his reports of the political and governmental problems of China's Central Government can be described as illuminating, and the Prime Minister and officers of the Department of External Affairs must have found them fascinating.

Coming from two countries, Canada and then Australia, both of which had stable and orderly governments, Odlum no doubt found the lack of similar structure and orderliness in China's government at best agonizing, and perhaps frightening. At any rate, over the period of his tenure in China he continually identified several specific problem areas that either confronted the government as administrative difficulties to be solved, or were problems within the government itself.

The most often mentioned of these difficulties was what Odlum referred to as the "make-believe" world of upper level political and civil service officials.

> The "make-believe" of official China is sometimes staggering. Much of it is so puerile that no balanced person could possibly be deceived. The puzzle is, why is it attempted at all? It seems to be mere convention.[25]

As an example of the lengths to which these falsehoods were taken, in a despatch of July, 1944, Odlum took one chapter of an official government publication, The 1943 Administrative Review, and by drawing from his own knowledge and that of the embassy staff, proved that the information provided in it was either incorrect or the exact reverse of the actual case.[26]

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[25] Canada, Department of External Affairs Archives, Ottawa, File 50056-40, Military Situation and Planning in China, Despatch from Legation in Chungking, October 21, 1943.

[26] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, July 11, 1944.

This refusal to face facts and discuss them honestly he ascribed to several forces. The first, and to Odlum the least in importance, was a desire to be polite, which resulted in answers to his questions being "picked out of thin air" so that at least some answer could be provided. A second and more important force creating upper-level dishonesty was the simple explanation that "at the best no-one knows what the correct figures are."[27]

> "Statistics" in official China are like garden flowers; they are produced to please! It took me some time to discover this, for I began by thinking of statistics as rather immutable and fixed things if considered as of any given date. There either are, or there are not, a given number of men in the army on a named day! At least so I thought. But I found that the tide of numbers ebbed and flowed like the tides of the seas! There was a wide grey margin of uncertainty around every figure, often more than 100 per cent. I am now compelled to look on all figures with horrible suspicion.[28]

This he blamed on the fact that there appeared to be no organizing skill nor any desire to be organized. As well, Odlum was highly critical of those upper-level Chinese who knew about this sham but refused to attempt to correct it, simply to avoid hurting their own pride. "Better to say an army of 6,000,000 men, which sounds tremendous, and feel like the 'fourth Great Power in the World' than face the true facts."[29] Odlum was willing to accept that this "make-believe" was not told to him maliciously, but what is peculiar is that despite his acknowledgement that the "top" Chinese officials were aware of these falsehoods and refused to correct them, he did not blame them for the actual creation

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[27] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

[28] Ibid.

[29] Ibid.

of mis-information; instead, he blamed the lower level civil servants. What these latter individuals could have hoped to gain from such "trickery" is difficult to assess; and that Odlum could have totally dismissed the concept of ministerial responsibility for civil servants in a department, as was claimed to be Chinese governmental practice[30], is even more difficult to believe.

Closely tied to this unreal world of statistics, Odlum discovered another area in which what appeared to be true need not really be true--the realm of power and authority within the government. "The outsider cannot even determine who is the real official behind the scenes who is given power and to whom he may apply to pull the levers."[31] This was particularly true in the case of the two parallel systems of authority that existed in China, Central Government Ministries in existence for public view with Kuomintang Ministries of an exactly parallel structure and apparent responsibility behind them. Even when these two organizations had been analyzed it was often possible that the real power did not lie in either of them but rather somewhere further in the background. "I soon learned that a table of officials, with complete allotment of responsibilities and authorities, meant nothing more than a clever exercise in the art of paper organization."[32]

Hand in hand with these first problems went graft and corruption

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30 Ch'ien Tuan-sheng, The Government and Politics of China, 1912-1949 (Stanford: Stanford University Press, 1970) p. 225.

31 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, October 19, 1943.

32 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

taken to their farthest extremes, which Odlum also noted as a major problem with the Chinese government. Of all the corruption that occurred in China during the war years, two types particularly bothered Canada's representative: in the recruiting of troops for the army and, in trading of goods back and forth with the enemy. In the case of the former, the problem was one of widespread corruption on the part of the heads of the pao-chia[33] recruitment groups. These men would, by whatever means possible, capture a number of young men of eligible military age. Then these men would demand ransom from the families of the "recruits"; those whose families could pay were released, the remainder were given over to the army, where treatment was often cruel. "During the last months", wrote Odlum:

> letters have poured in from the countryside describing the reign of terror that was brought on by forcible enlistment. We heard of regular business companies dealing in able-bodied men, of "hoarders" of able-bodied men, and of an open market in this commodity in the tea houses and wine shops.[34]

Such tactics were particularly disastrous to the government and military, in Odlum's view, first, because they cost the government a great deal of public respect and support from those parts of rural China that were expected to pay taxes to support such campaigns. Second, "unless tying men up and dragging them off to be sold is stopped, the government will never get the young village men to join the army, or if they do join, they will never fight well."[35] But, as was usually the situation, the

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33 Pao-chia was a traditional Chinese system of mutual guarantee groupings of 100 (chia) and 1,000 (pao) households.

34 External Affairs Archives, File 5667-40, Despatch from the Embassy in Chungking, April 25, 1945.

35 Ibid.

problem had been allowed to become as bad as it was because of "lack of concern, and corruption in government circles."[36]

Recruitment corruption caused Odlum a great deal of anguish, but nothing in China infuriated him as much as trade between individuals in "Free China" and the puppet troops, or even with the Japanese themselves in "Occupied China". His attitude on the matter of such trade was clear-cut.

> I believe that to open the door to any traffic with the enemy is to lower both morale and morals, and to weaken the fibre of the Chinese people. There is in the traffic a tacit "recognition" of the presence of the Japanese, a recognition that could be disastrous to a fighting spirit. The only heroic course is to tighten belts, to refuse to be supplied or to supply, and to devote every ounce of energy to fighting. The Chinese have not been doing this, and they have not been fighting![37]

The two features that most bothered him about this trade were the goods being exchanged (luxuries and opium from Occupied China in exchange for essential war materials such as wolfram), and the attitude of most Chinese whom he confronted on this question. "No one blushes when reference is made to Japanese goods on the Chinese market. The Chinese seem actually proud of their trade with Japan."[38] It was this seeming lack of concern about this crucial problem which Odlum returned to over and over in his despatches, as if the trade was terrible but the apparent approval was an even more heinous sin. In his report of a discussion with Carsun Chang, the leader of the outlawed Nationalist Socialist

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[36] Canada, National Archives, Ottawa, Vol. 244, File 2490, China: General, Memo from Robertson to Prime Minister, March 30, 1944.

[37] Canada, Department of External Affairs Archives, Ottawa, File 6161-40C, Trade Between Occupied and Unoccupied China, Despatch from the Embassy in Chungking, May 31, 1944. (Italics in Original)

[38] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

Party of China, Odlum mentions Chang's reaction to the trade. "He feared that those who alone could act, either blinded themselves and refused to know or actually thought that some advantage could be gained from the traffic."[39] The General agreed fully with his guest's position--"the worst feature, in my eyes, is the total absence of 'resentment' at wrong doing."[40] This theme occurs repeatedly in the General's writings and seems to have baffled him completely. On numerous occasions he mentioned the corruption and graft to Chinese acquaintances or colleagues, always with the same result--an almost total lack of concern. Even more disturbing was that the groups to which the General looked for some measure of righteous indignation--the public press, and the students and young people--were just as indifferent as the older men with whom Odlum normally associated. All of this he related to the basic lack of faith in the virtues of truth and honesty, that is, that "China has no solid moral basis on which cohesion may grow."[41]

As well as the major political difficulties mentioned above, Odlum also identified a few "lesser" problems that were currently making the continuation of the war effort difficult, or that were causing problems for the average Chinese citizen and thus reducing support for the

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39 Canada, Department of External Affairs Archives, Ottawa, File 1461-40C, Commercial Relations Between Canada and China, Letter from Odlum to Robertson, August 24, 1943.

40 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

41 Ibid.

central authority.

Two such concerns lay in the fields of education and law. Of the former, Odlum once commented that "the Chinese leaders who are trying to build a democratic nation are working against an uneducated mass of public opinion which does not understand democracy and does not want it."[42] There had been improvements made in the educational system of Kuomintang China. As far as Odlum was concerned the greatest step forward was made when primary schools moved from the old Confucian system of education to a more modern westernized approach, as his opinion of the old methods was very low. "The educational seed that is now being sown is the most promising thing I know about China."[43] The main difficulty for the government was attracting good quality teachers (especially at lower levels) and attracting them in sufficient numbers to be of use to the huge number of actual and potential students in Chungking.

In the matter of legal processes in China, the Minister was not nearly as optimistic. In a letter to a Vancouver friend, J.P. Mackenzie, Odlum noted: "there is no system of law such as we know it in Canada and, as far as I can make out, the courts, while they exist on paper, scarcely function at all."[44] This perception of Chinese law was to have a definite effect on certain of his policy recommendations as far

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42 Montreal Gazette, October 4, 1944.

43 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

44 V. W. Odlum, Personal Papers, Letter to J. P. Mackenzie, June 3, 1944.

as post-war Sino-Canadian trade relations were concerned, as will be noted in Chapter Four.

One final area in which Odlum saw the Chinese government having problems was in maintaining a "war spirit" and keeping the people's morale high. As early as July of 1943, having been in China only two full months, he observed, "I do not see any serious threat from the Japanese. The greatest danger arises from the passive attitude which has swept this country. Like the French before the summer of 1940, the Chinese are showing an inclination to fold their hands and await events."[45] As well, the government sometimes took an attitude toward the war that left Odlum wondering whether even it was concerned about ultimately removing the Japanese threat.

> The whole war office service is going on "summer hours"--and this with a grave military situation confronting the government.[46]

This attitude he also found reflected in the views of and support for the army held by leading Chinese both in and out of government.

> There is one danger, of course. A large part of the informed Chinese are so cynical about the operation of the Chinese army that a time may come when really significant movements may be dangerously discounted.[47]

In part this lack of enthusiasm for the war effort may well have been a product of the government's own policies, particularly those that were "repressive" measures, supposedly designed to maintain security.

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[45] Ibid. Letter to Bertram Thomas, July 28, 1943.

[46] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1943), Despatch from the Embassy in Chungking, July 2, 1943.

[47] Ibid. Despatch from the Legation in Chungking, October 21, 1943.

> The suppression of free speech in China is much more serious than that in Canada, the United States, and Britain. Here it is so stringent that actual "fear" pervades the community, especially in official circles.[48]

Once again, General Odlum found his ideas about Chinese problems--in this case, problems of morale--supported by the writings of a journalist in China at the time. In particular, he found support in an article by Congressman Walter H. Judd in the June 18, 1945 issue of Time Magazine in which Judd described some of the Chinese "diseases of defeat". These he divided into five categories: physical deterioration; economic deterioration; moral deterioration; political deterioration; and morale deterioration.[49] Of the five, the last was most significant because it was the most recent to develop and had the greatest potential, at that time, for "knocking" China out of the war effort. In his report discussing this article, Odlum described what Judd had said as "an able summary of what I have been trying to say the last two years."[50]

These, then, were the numerous political and governmental problems that Odlum identified as pressing most heavily on China's ability to continue the war effort. He was obviously not sympathetic to many of these problems, since so many were of the government's own creation, or were of sufficient importance to warrant a serious attempt being made to end them--an attempt that in many cases was not even being contemplated.

Military Problems

No doubt it was the Chinese military and its strategy that held

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[48] External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, November 26, 1943.

[49] Walter H. Judd, "Our Ally China", Time Magazine, June 18, 1945, pp. 20-23.

[50] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1945), Despatch from the Embassy in Chungking, August 7, 1945.

the greatest interest for General Odlum on his arrival in Chungking, and also, no doubt, it was one of his disappointments in the over-all Chinese war effort, for not only was the army totally below par at the time of his arrival, but it was also infested, from lowest levels right up to commanding officers, with general dishonesty. However, in an attempt to practice his oft-stated belief that he should attempt to be fair to the Chinese as best he could, he summarized what he would be attempting to communicate about the Chinese army, in the following way:

> I do not want it to discredit the Chinese army, but rather to find the places where that army can be strengthened. There could be nothing better for Canada than to have a strong, well-disciplined, well-equipped Chinese army ready to take the field and maintain peace in the Pacific. It would be worth while doing a great deal to bring such an army into existence. It does not exist now.[51]

It was in this final sentence that Odlum so aptly described the status of the Chinese army of 1943--it really did not exist as an army in any accepted sense of the word. He reported the deplorable state of the Chinese forces, and their efforts against the Japanese, to Ottawa on numerous occasions, but the best summary of all of the failings is contained in the following comment:

> The outstanding facts in China are:
>
> (a) The Chinese have not been fighting the Japanese for two years or more. They have been shadow boxing--fighting with communiques and press despatches
>
> (b) Not only have they not been fighting, but they have been trading with the enemy on a large scale, selling wolfram and rice to the Japanese, and buying back cotton and toilet articles. The army leaders have connived in the traffic
>
> (c) While China is short of weapons of every sort (her own official statement), her iron and steel industry is suffering from a depression because of a lack of orders and many of the plants are closed down. There is a surplus of steel, and the

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51 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, September 28, 1943.

(c) government is trying to find ways to use it so as to keep the industry going

(d) Soldiers' food is sold by army officers on a large scale for private support and gain; and a ration altogether too small is made smaller. There is hopeless ineptitude and corruption in the Army Medical Service

(e) An important part of the Chinese army is not used to fight the Japanese, but is kept solely for the purpose of containing and blockading the Chinese Communists.[52]

In Odlum's view there were a number of reasons for the military setbacks and weaknesses that he mentioned; those most often cited were: bad physical health; a small number of medical personnel; a poor quality of military commander; low morale; lack of food; and the absence of good, or even adequate, transportation.[53] Only the last of these was he willing to forgive as being uncontrollable due to Chinese conditions, particularly topography. The remainder he felt were difficulties that could be overcome either by a little greater effort and sacrifice, or a little less dishonesty.

> Graft, bribery, corruption are everywhere. Records are not kept. Lists are padded. Bodies cannot be produced.[54]

By and large he was not critical of the fighting ability of the Chinese soldier, but rather, believed that these soldiers were always working at a disadvantage because of the lack of cooperation that they got from their "behind the lines" cohorts, and especially because of the exceedingly poor leadership that they received. "The Chinese army is

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[52] External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, September 28, 1943. (Italics in Original)

[53] External Affairs Archives, Odlum Primary Correspondence (1943), Letter from Odlum to the Prime Minister, May 17, 1943.

[54] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

terribly weak in two regards: (1) the quality, education and training of its officer group; and, (2) its service of supply, and ordnance branches."[55] The first of these crucial faults he blamed on the origins of most officers.

> They largely come from a class just above that of the coolies. Unfortunately, coming from that class, they have not the capacity to learn easily, they have little technical knowledge, and their qualification for leadership is very low.[56]

The second failing, he once again saw as a product of the general lack of honesty among Chinese.

> To tell a good, prominent Chinese citizen of really high standing, for instance, that a certain general army officer has been guilty of selling some of the food and medicines of his men, and of taking part of their pay, all for his own personal gain and for that of his family, does not draw a quick retort. He accepts it as not only likely but almost certain to be true. And he does not resent it. It is "recognized". Army officers are paid on such a low scale that there is nothing for them to do if they are to live but to rob their own men and defraud the government. And they do rob and defraud.[57]

Odlum was not alone in these estimates of the Chinese army--he was supported in all of these evaluations both by members of the diplomatic corps in Chungking, and members of the press. Ambassadors Gauss (of the United States) and Lovink (of the Netherlands) were in strong agreement with his opinions--and in some cases took an even more critical view of the effectiveness of Chinese forces and of the hopes that so many Allied nations had "pinned" on these troops.[58] As well, Hanson W. Baldwin, the

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55 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, November 30, 1943.

56 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

57 Ibid.

58 Canada, Department of External Affairs Archives, Ottawa, File 5548-40C, United States Ambassador C. E. Gauss, June 7, 1944.

Military Editor of the New York Times, writing independently, came to the same conclusions as Odlum, and added one other: that not only did Japan hold nearly all of the worthwhile parts of China, but, "there is no place in China to which they cannot go if they want to."[59] Whether Odlum would have gone this far is dubious, but such comments did indicate the rather pitiful state of the Chinese military as it existed during the first stages of Canadian involvement in Chungking.

If the Chinese armies and their battles could be described as ineffective, exactly the opposite picture was given by Chinese press releases and communiques. Once again Odlum found himself in the midst of a world of "make-believe", where falsity became truth and reality never appeared in public. "The communiques have frequently been--not exaggeration; but fiction!"[60] Again Baldwin arrived at a similar opinion--"Chinese communiques are virtually worthless."[61]

Odlum was particularly critical of the Chinese attempts to make the rest of the world believe that there was a great "war spirit" and attitude alive in China, similar to that of Britain or Russia.

> The one thing one fails to catch here is any evidence of a fiery spirit. Such a thing simply does not exist. There is no atmosphere of a country at war, there is no tense eagerness--there is simply no sign of war. And what is true in Chungking, the heart of it all, is even more true of the rest of China. Interest could not decrease with distance from the capital, for there is no interest to decrease.[62]

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59 Hanson W. Baldwin, "Too Much Wistful Thinking about China", Reader's Digest, August 1943, pp. 63-67.

60 Canada, Department of External Affairs Archives, Ottawa, File 11578-C-40, The Chinese Nationalist Government - Foreign Policy, Despatch from the Legation in Chungking, August 9, 1943.

61 Baldwin, "Too Much Wistful Thinking About China", p. 65.

62 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, October 19, 1943.

But the General did not find the "outside world" totally blameless in this world of "make-believe". In describing one "highly exaggerated and thoroughly fantastic" communique that he had seen which described atrocities committed against Chinese troops by the Japanese, he discounted tales of loss of life and suggested that what had happened was that the Chinese had simply changed sides and become puppet troops, as was usually the case in such encounters. However, he concluded his summary and criticisms of the release with the following rather damning comment:

> And yet I imagine that the press of the world will, as usual allow this absolutely false statement to pass unchallenged. If it does, it will only be another evidence in the eyes of the Chinese that dishonesty is useful and does pay.[63]

The Canadian Minister's appraisal of Chinese military strategy was no higher than his opinion of the military itself or communiques about it. His first and most important complaint was that there was no strategy, and the reason there was no strategy was that there was no need for it since there was, in fact, no fighting going on--a fact readily admitted by most Chinese.

> No responsible Chinese that I have met has pretended that the Chinese have been fighting for the past two years. When I was urging that the Chinese army should fight again so that China should have prestige and power at the peace discussions, their only rejoinder has been, not that 'China is and has been fighting' but that 'the world should remember what China did and suffered in the early days of the war'![64]

The cause of this attitude was nicely summarized for Odlum by Ambassador Gauss when, at a meeting (later reported to Ottawa by Odlum),

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63 External Affairs Archives, File 25-D(s), Despatch from the Canadian Embassy in Chungking, January 27, 1944.

64 External Affairs Archives, File 5667-40, Despatch from the Canadian Legation in Chungking, October 19, 1943.

he stated "the Chinese believe they do no need to fight, for the Japanese will be defeated and driven out of China by the United Nations in any event!"[65] Whether or not this had become the strategy of the Chinese government and military by 1943, to describe it so blatantly would have been anathema for the Chinese. In their terms the war-time strategy that China pursued was summarized by Mr. R. E. Collins of the Canadian Legation as one in which:

(1) They are trading space against time

(2) With obviously unequal equipment, they are equalizing fire-power. As a smaller number of heavily-armed Japanese spread out against hordes of poorly armed Chinese, there comes a time when firepower is equal at any point on the periphery and stalemate is reached

(3) Under present conditions of supply, the total amount of equipment available is not sufficient for more than one offensive operation. It is therefore being held for the final push when the Japanese will be driven into the sea.[66]

General Odlum, in the same despatch, took each of these arguments and criticized it in the following manner:

(1) This no longer has any reference. The Chinese are not trading space against anything, for the Japanese are not trying to advance

(2) The second point can never be anything more than defensive, and, even more significant, fundamentally passive

(3) The last point could only be reassuring if one were convinced that when the time came there would be troops prepared to use the materials. And there appears to be little or no evidence that such troops are being trained or that the spirit behind them is being built up for an offensive.[67]

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65 External Affairs Archives, File 5548-40C, Despatch from the Embassy in Chungking, June 7, 1944.

66 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, October 19, 1943.

67 Ibid.

It is obvious that the General was not a big "fan" of Chinese military strategy.

However, Odlum's view notwithstanding, this was the Chinese overall military strategy, and it produced a very peculiar war effort in the field. The General's description of Chinese field policy is interesting:

> The Chinese army is like water--when the Japanese appear, it moves out of the way; when the Japanese withdraw, it flows back to its old position. It neither resists seriously nor does it take offensive action. It merely yields and later returns.[68]

This passivity was so prevalent that on occasion it even infuriated certain of the better quality Chinese generals, such as General Ch'en Ch'eng. General Ch'en remarked on at least one occasion that "Japanese penetration was due to our negligence, and it is necessary to intensify preparation for the counter-attack."[69] Whether the counter-attack of which he spoke ever came to fruition is unknown, but it must be noted that at least the Chinese general had a more realistic viewpoint (at least in Odlum's eyes) than did his Chief of Staff, who seemed not to understand the implications of his statement, when he said "the Japanese could move six divisions from China and still not be in danger."[70] However Odlum was quick to point out the ridiculousness of this situation--this would have left an army of approximately 320,000 to face the Chinese army of 5,000,000.

Given all of the above impressions of the military situation in

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[68] Canada, Department of External Affairs Archives, Ottawa, File 5540-40C, Kwangtung Military Situation, Despatch from the Embassy in Chungking, May 20, 1944.

[69] T. A. Bisson, "China's Part in a Coalition War", Far Eastern Survey, XII (July, 1943), 135.

[70] External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, October 19, 1943.

China, one can understand General Odlum's feelings when he wrote, just before leaving for a furlough in Canada (September 1944 - March 1945), that "there is no way Canadian goods will ever be used in China because Chinese forces are not likely to be equipped or trained fast enough to be a factor in this war."[71] Much to his surprise, though, when he returned to China in March, 1945 he found that certain significant changes had taken place in the military situation. In fact, by early August of that year the General informed Ottawa that he had been mistaken in his previous evaluation of the time that it would take to mobilize a good Chinese effort--but that he was glad he had been wrong.[72] Nevertheless his enthusiasm was still cautious.

> But the significance must not be distorted either through sentimental enthusiasm or cynical criticism. The Chinese army has a long way to go to become even moderately effective. But there are signs that it has at least started on its way.[73]

He explained this new "fighting spirit" on the part of the Chinese army in two ways. The first reason for its new effectiveness was a product of:

(a) The complete change in the picture rapidly effected by Hurley and Wedemeyer when they were sent to China to take over from Gauss and Stilwell

(b) The wholehearted cooperation between Chinese and Americans which followed

(c) The amazing improvement in the Chinese field armies when the Americans became responsible for their training and equipment.[74]

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71 Canada, National Archives, Ottawa, Vol. 244, File 2490, China, Despatch from the Embassy in Chungking, July 29, 1944. (Italics in Original).

72 External Affairs Archives, File 5548-40C, Despatch from the Embassy in Chungking, August 14, 1945.

73 Ibid.

74 Ibid. Despatch from the Embassy in Chungking, August 14, 1945.

Odlum's second explanation for the new military successes was that there had been a "turn-about" at the top levels of Chinese government and among the people in Chungking.

> A breeze of war optimism is sweeping over China. It is apparent in the government, in the army, in business circles, amongst the university groups, in the press, of course, and it has even spread to the foreign community.[75]

Such a rapid change in public attitudes must lead to a question about the quality of Odlum's previous analyses of such opinion--it seems unlikely that this turn-about could have occurred so rapidly if there was no previous inclination toward it. However these two factors (combined with whatever others may have escaped Odlum) had in fact created a major change in the Chinese military attitude. No longer were the Chinese armies like water; instead, "the Japanese are being pushed, not merely followed."[76]

In Odlum's own words: "no one can say with real authority what the Chinese would have done had the real test come"[77], but it does seem obvious that at least in terms of the military situation, China had made some degree of progress by the end of the war--unlike many of the other problems that Odlum had identified or would identify, especially those in the field of economics.

Economic Problems

All of China's economic problems were an ever-present concern to Canada's representative in China--but none were of greater concern than

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[75] Ibid. Despatch from the Embassy in Chungking, June 4, 1945.

[76] Ibid.

[77] Ibid. Despatch from the Embassy in Chungking, August 14, 1945.

the rampant inflation which was, without doubt, the greatest financial difficulty facing China during World War II. That the inflation was real and uncontrolled is easily documented:

> The "Professor Buck" retail index jumped from 20,000 at the beginning of November, 1943 to 24,000 at the end of December 1943, 100 equalling the average price of the first 6 months of 1937.[78]
>
> and
>
> Retail index: April, 1945 - 141,990
> May, 1945 - 146,895[79]

What particularly bothered the Minister about this inflation were the causes of it, and the inability and/or unwillingness of the Chinese government to find or adapt solutions that would work.

Odlum identified five main causes of Chinese inflation, each of which he felt could have been ameliorated by positive action on the part of the Central Government. These five he described as:

(a) Failure to tax adequately. (I estimate that the per capita tax in Free China, including the tax in kind, is only .30 cents, Canadian. The total is $80,000,000,000 Chinese for 250,000,000 people!)

(b) Inability to sell bonds to the public due to its lack of confidence in the stability of government securities

(c) Grain hoarding and speculation

(d) Use of the printing press to provide currency for two-thirds of the government's requirements

(e) Shortage of consumer's goods, coupled with a natural desire on the part of the people to get rid of their depreciating currency.[80]

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78 External Affairs Archives, File 25-D(s), Despatch from the Canadian Embassy in Chungking, January 27, 1944.

79 External Affairs Archives, File 1461-40C. Report on China's Economy by F. H. Palmer, July 10, 1945.

80 Canada, Department of External Affairs Archives, Ottawa, File 5741-40C, Economic and Financial Conditions in China, Despatch from the Embassy in Chungking, June 13, 1945. (Italics in Original)

Of all of these factors, Odlum considered (d) to be the most important cause of the problems China faced. The "printing press" problem was so vital because it was such an "on-going" difficulty. In May, 1943 he wrote that "paper money continues to be poured out"[81]; on July 11, 1945, while reporting on a visit to one of the largest Chinese paper manufacturing concerns, he commented: "the entire production of this present plant goes to the government, nearly all of it for printing new currency."[82] This would hardly have been a gratifying sign for anyone concerned about China's economic state and potential for post-war trade.

But if the "printing press" was the gravest cause of the inflation, in Odlum's view the crucial factor in ending it was the ability to tax all classes "adequately, equitably, and severely"[83] and that realization was disappointing for him because, as he conceded: "so far adequate taxation has not been politically possible. And it will not be possible until there is a government strong enough to stand the repercussions."[84]

The Chinese government made attempts to curb their runaway inflation; in fact, a number of methods were used but each seemed to have certain built-in deficiencies that made it almost worthless.

The first of these methods was the implementation on several occasions of price and commodity controls. The problem with these, as

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81 External Affairs Archives, Odlum Primary Correspondence (1943), Letter from Odlum to the Prime Minister, May 17, 1943.

82 Canada, Department of External Affairs Archives, Ottawa, File 9030-40C, Pulp and Paper Sales to China, Despatch from the Embassy in Chungking, July 11, 1945.

83 External Affairs Archives, File 5741-40C, Despatch from the Embassy in Chungking, June 13, 1945.

84 Ibid. (Italics in Original)

noted by journalist T. A. Bisson, was that to work, such controls had to have massive popular support--which those of the Chinese government did not.

> In a country predominantly agrarian, with the landlords still entrenched in their feudal positions, no centralized government organ could send out the multitude of agents required to enforce its paper controls.[85]

A more popular method of controlling inflation and one used much more regularly by the Chinese, was the importation and selling of gold to "sweep up" outstanding currency. Unfortunately this method was beset by certain problems: first, the desire for gold was not confined only to the Chinese--the Japanese in Occupied China were also desirous of it, so that on numerous occasions the gold that had been imported from the United States for Chinese use found its way through smuggling into the hands of the common enemy.[86] Also, another problem with the gold importation plan was that the Chinese government seemed not to be particularly serious about making it work. Odlum's view of the large Chinese gold imports was that they were made "only to gain publicity"[87], and the following statement from a despatch of June 13, 1945 seems to confirm that the Central Government was not using its gold purchases very wisely.

> Gold is being used for sale to the public to sweep in outstanding currency and has already caused the withdrawal of NC $60,000,000,000. But as approximately NC $20,000,000,000 is going out monthly in new notes, it will require a lot of gold to take control of the situation.[88]

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85 Bisson, "China's Part in a Coalition War", p. 140.

86 External Affairs Archives, File 6161-40C, American Secret Report on Chinese Smuggling, December 4, 1944.

87 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, October 7, 1943.

88 External Affairs Archives, File 5741-40X, Despatch from the Embassy in Chungking, June 13, 1945.

Thus, despite these attempted solutions, the inflation continued to grow worse rather than better throughout Odlum's tenure in China. However, behind the obvious problem of inflation lay a number of other economic problems which, in Odlum's eyes, hindered China's development and her war effort almost as much as did the inflation.

Primary among these were the problems that existed within her agricultural system. To Odlum all of these problems lay with the "landlord" system. This system, in Odlum's view, caused an oppression of the peasant which was so unbearable as to be debilitating.

> This load has forced the farmers into heavy debt, at impossible rates of interest, has made many of them bankrupt, and more and more rapidly it has forced land ownership out of the farmers' hands into those of the landlord class.[89]

At that time interest rates for peasants were ten per cent per month, down from a previous war-time high of fourteen per cent. Odlum was quick to point out that these rates were not based on a high profit by peasants but rather on the fact that "the money owners have no other profitable use to which to put their money; they want it to support them so they go to the market where they can get the highest rates."[90] Even the diplomatic missions, which borrowed money to build in Chungking and whose security was the highest of anyone's, were being forced to borrow Chinese money at a rate of over 3.5 per cent per month. His final appraisal of this economically disastrous situation was simply that "an economic structure based on such interest rates must either crash or sustain itself on the misery of the poor; it does the latter."[91]

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89 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

90 Ibid.

91 Ibid. (Italics in Original)

And yet the farmers persisted simply because they had no choice--it was either farm the lands of the landlord or starve to death, they had nowhere else to go. On this issue Odlum was adamant--first, because of the burden being placed on those least able to bear it, and second, because of the implications that this system had for China's economy and even her political future.

> The farmers today undoubtedly face a continuing collapse of their economy or they must some way force an abandonment of the cruel combination of landlords, merchants, and usurious bankers which is robbing them till they are near death.[92]

In all of this sympathy for the Chinese farmer, Odlum never abandoned his criticisms of their methods and inefficiency. However it seems that he gained a little better understanding of the reasons why the position of the rural peasant was so bad.

The desperate situation in Chinese agriculture was repeated almost exactly in the industrial sphere, but for different reasons. Odlum's initial shock came from the lack of industrial output ("China"s industrial facilities are only being used 50%"[93]) in a nation which was, and had been for six years at war. Although there were certain industries that were making changes and improvements (for example: chemical, woolen textiles, and medicine), those that were crucial for China's future both during the war and after it, were, at best standing still, and in some cases falling behind. This was particularly true in the oil industry where some increase had taken place but which was inadequate for any large-scale needs, and in iron and steel, there was

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[92] Ibid. (Italics in Original)

[93] External Affairs Archives, Odlum Primary Correspondence (1943), Letter from Odlum to the Prime Minister, May 17, 1943.

an actual shrinking market despite the requirements of a war effort.[94] Odlum advanced a number of explanations for these conditions in Chinese industry:

(a) So far, Chinese have not been good managers of companies other than those formed of families or close personal friends

(b) They prefer to do business on a small scale rather than participate in large scale operations in which they have little or no voice

(c) Managerial and technical capacity is very restricted

(d) Common business honesty is rare, which accounts for (a)

(e) There is as yet no successful codification of commercial law.[95]

Moreover, in December of 1943, Odlum saw no prospects for any improvement in China's industrialization. Quick industrialization was impossible, in his view, because that meant large imports of capital goods (with attendant debts and service charges) for which the Chinese had no way of paying either at that time or probably in the future. In other words, "from nearly every point of view, the Chinese industrial scene is not a rosy one."[96]

Finally, adding to the already existing problems of industry and agriculture, was the difficulty of transportation in China, not just for aid and equipment coming in from overseas but for simple day to day activities. Odlum considered this transport system to be the "seal" that stamped China's economic backwardness. What particularly

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94 External Affairs Archives, File 5761-40C, Despatch from the Legation in Chungking, October 4, 1943.

95 External Affairs Archives, File 5761-40C, Despatch from the Legation in Chungking, December 30, 1943.

96 Ibid.

aggravated him about this system was its built-in inefficiency ("on any given day half of those who are 'labouring' are carrying loads"[97]), and the cost that such transport added to the inflationary spiral. These two factors combined to create situations which, to Odlum, were intolerable--over-abundance of food in one area while famine existed in a neighboring area.

In conjunction with all of these difficulties existed the two problems that the General found almost everywhere he looked--trading with the enemy, and an inability to find accurate information. Of the former he wrote:

> It is surprising to see the quantity of goods now appearing in the stores and on junks in transit up and down the river. We imagine they have been released by hoarders who fear that economic controls are going to become more effective, or more likely, that they came from occupied China, which means in large part from Japan.[98]

About the latter his most telling comment was:

> I have not been able to find out so simple a thing as the outstanding note issue! "Mystery" is the pass word. Perhaps it is not so much purposeful mystery as the air of mystery which emerges when one is ignorant and does not want to let it be known that he is ignorant.[99]

To say that China had economic difficulties during World War II, and that Odlum recognized them, would be an understatement. It is interesting, though, that despite his appraisal of China's economic deficiencies, Odlum advocated certain policies (to be discussed in

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97 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

98 Canada, Department of External Affairs Archives, Ottawa, File 4851-40, Canada-China Relations: General, Letter from Odlum to Robertson, November 1, 1943. (Italics in Original)

99 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

Chapter Four) based on a post-war Chinese economic recovery which, it seems safe to say, he doubted could take place so quickly, if at all.

Problems for China's Allies

Perhaps this section might better be entitled "Problems For and With China's Allies", for General Odlum identified certain problems in relations between China and the rest of her allies, in which the fault rested on both sides, and even some problems in which the Chinese were virtually blameless.

The first area in which he felt a significant problem existed was in the various "pictures" of China that were being provided to the rest of the world by newspaper correspondents and magazine journalists. It was Odlum's firm belief that the world had expected too much of China after Pearl Harbor, when the Pacific War Theatre first opened up. World opinion had become too over-enthusiastic, in part through its own mistakes and in part through belief in the information provided by the Chinese news services, and by Chinese officials visiting the United States and Canada. He had pointed out these discrepancies himself on at least one occasion, when he wrote to a friend that "the picture of China is not at all what it appears to be on the surface--nothing like what you are told through the press."[100]

Then, when this "sell job" was proved to be a huge exaggeration of the actual facts, the result was a swing back to the opposite extreme, in which everything Chinese was looked down upon and criticized, a position which Odlum found distasteful, or perhaps even more distasteful than the highly laudatory writings of the earlier period.

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100 V. W. Odlum, Personal Papers, Letter to T. H. Kelly, July 26, 1944.

> Nearly all those who criticize in the way of mass condemnation do so, not because they have studied and mastered the Chinese scene but because they have been annoyed by incidents that have rubbed them the wrong way.[101]

In this stand Odlum found himself supported by all three of the men whose writings he had recommended to Ottawa--T. A. Bisson[102], Hanson W. Baldwin[103], and Walter H. Judd[104]. The last of these individuals even went so far as to suggest that the reason for China's new bad publicity was because many of the men reporting from there were not really happy at being assigned to China, so "they focus on the most disagreeable aspects of Chinese life."[105] At any rate, no matter what the causes of these varied types of publicity, Odlum felt strongly that very little of it was unbiased and therefore very little of it was of much use to the outside world in its attempts to understand the peculiar situation that was war-time China.

If Odlum's view of those people reporting Chinese news to the rest of the world was not very high, his view of the rest of the diplomatic community was not a great deal better.

> I discovered that to be in Chungking is to be in a murky atmosphere of backbiting and slander. What I was told by other diplomatic groups made me shudder. Fortunately, from the very beginning I discovered the bias and resentment that lay behind nearly everything that was said. These people were not trying to see the best in China--they were determined to make the worst of it.[106]

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101 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, October 19, 1943.

102 Bisson, "China's Part in a Coalition War", p. 136.

103 Baldwin, "Too Much Wistful Thinking About China", p. 66.

104 Judd, "Our Ally China", p. 20.

105 Ibid., p. 21.

106 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

As well, Odlum criticized this group for both their attitudes toward the Government of China, and for the way in which they formed those opinions. It was his opinion that, at least until the arrival of Hurley and Nelson on the scene, the whole foreign community was overly critical of, and on occasion openly hostile to the Kuomintang administration. Had he felt that these responses were reasoned out and the product of serious study of the Chinese scene Odlum might well have been willing to accept them. However, when he was himself criticized for "being too much influenced by my flowery-worded Chinese friends"[107] he explained his position to Ottawa in the following terms:

> It may be that I would be better armed if I listened to more of the foreign criticism of the Chinese Government. I might be inclined to do this if I thought the critics themselves were well informed. But when I find that they talk without taking the time or showing the interest to personally study and know those whom they criticize, I turn away from them.[108]

This cynicism on the part of the foreign community was caused quite probably by certain of the attitudes adopted by the Chinese. In particular there were the threats to "drop out" of the war effort. Very often the people making this suggestion were not being dishonest so much as being "alarmist" about the Chinese possibilities for holding out until ultimate victory was attained. Odlum's argument against this attitude was that it caused China to argue from weakness rather than strength, and it caused a great deal of confusion in the "outside world" because here was China, apparently holding out quite effectively and then at almost regular intervals cries of "you must save us quickly

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107 Canada, Department of External Affairs Archives, Ottawa, File 4558-Q-40, Movements of Canadian Embassy Staff at Chungking, Despatch from the Embassy at Chungking, December 8, 1945.

108 Ibid.

or all is lost"[109] were to be heard from the Chinese. Odlum was also quick to point out that often these threats were used simply as an attempt to obtain either more goods or more concessions from China's allies, and as such he deplored them--even when they were made by his dear friend Madame Chiang Kai-shek![110]

Part of Odlum's antipathy toward China's threats to make peace with the Japanese may well have been a product of his dislike for the Chinese demands for aid--"the Chinese have their hands out; they take it for granted that they need help."[111] By this he did not necessarily mean that aid of all types should be discontinued. What did bother him, though, was the use to which some of the aid was (or was not) being put.

> Mutual Aid munitions are not being used by the Chinese but rather are sitting in stockpiles in India. To continue manufacturing for the Chinese account means equipping a post-war army, which the Americans suggest may be China's objective.[112]

or

> She holds out her hand and asks for gifts from foreigners to pay wealthy Chinese who have surplus goods to hand them over to save the lives of suffering and starving Chinese. Little real help is brought into China by these foreign gifts; instead Chinese are paid in Chinese money to succour other Chinese--a function the government itself could and should perform.[113]

Odlum's problem was what to recommend insofar as aid was concerned;

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109 External Affairs Archives, File 50056-40, Despatch from the Embassy in Chungking, November 5, 1944.

110 Canada, National Archives, Ottawa, Vol. 243, File 2486, Madame Chiang Kai-shek, Memo from Robertson to the Prime Minister, August 23, 1944.

111 Canada, External Affairs Archives, Ottawa, File 1843-X-40, Reports re: Post-War Economic Reconstruction in China, Despatch from the Legation in Chungking, August 3, 1943.

112 National Archives, Vol. 240, File 2490, Despatch from the Embassy in Chungking, July 29, 1944.

113 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

ultimately he settled on a policy of "things" rather than money, feeling that at least with material goods as aid there would be some control over where the aid actually went and who benefitted from it.

It is perhaps easiest to summarize this Chapter, which is designed to illustrate Odlum's views on the China that surrounded him, in his own words.

> China's weakness is greater than I had thought. Recapitulating, it is primarily due to:
>
> (a) Widespread financial and intellectual dishonesty, on the higher levels
>
> (b) Intellectual snobbery, manifest in the refusal of the "scholar" to "work" with his hands
>
> (c) Inability to cooperate
>
> (d) Lack of mutual confidence, a natural result of (a)
>
> (e) Refusal to face and acknowledge unpleasant facts
>
> (f) Ideas far too grandiose to be practical
>
> (g) Amazing inefficiency in her economy, particularly in transportation and farming
>
> (h) Lack of any sense of personal loyalty
>
> (i) Apalling want of self-confidence--an inferiority complex on a tremendous scale
>
> (j) Ignorance of the dynamic value of enthusiasm
>
> (k) Looking backward to what was, rather than forward to what is to be
>
> (l) Illiteracy, still on a very large scale, despite the optimistic statistics published by the Ministry of Education.[114]

The Minister was not without some praise for China and the Chinese. He commented:

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[114] Ibid.

> China's great source of strength lies in the toughness of her farming class, and in their ability to feed the vast masses of China, even on a near starvation scale. Anything else about China could be taken away and China would still live. But destroy the Chinese farms and China will be destroyed.[115]

As well he credited China with:

(a) Great physical endurance

(b) Patience and stolidity

(c) A high potential of average mental ability

(d) Capacity for and pride in study

(e) Skill with the hands

(f) Native shrewdness

(g) Undoubted physical courage

(h) A strong family sentiment

(i) Artistic talents

(j) A consciousness of a proud place in history.[116]

But even in his praise, he was cautious or even pessimistic. Although China had the positive factors listed above, because of inefficient use they were only sufficient to "keep her barely able to stand on her feet, and to totter on."[117]

However, if Odlum was quick to point out the numerous failings in Chinese government, economics, foreign relations, military operations, and, especially, in daily life, his views on those individuals leading China were a great deal more optimistic. How he saw these people, and his analysis of their politics, will be the subject of the next Chapter.

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[115] Ibid.

[116] Ibid.

[117] Ibid.

CHAPTER III

ODLUM ON CHINESE PERSONALITIES AND POLITICS

By his own admission, General Odlum's initial approach to studying Chinese politics was based on a serious mis-reading of the political "scene" in Chungking.

> I felt that somewhere, perhaps out of sight, were great brains and hearts, with splendid visions and purposes, toiling for China, and I believed that it was my duty to find this sound central core.[1]

This search for an "inner circle may well have been motivated by a British despatch of August, 1942 in which this "brain trust" was hinted at by a Mr. Weightman of the Government of India, who wrote a long analysis of the China situation in the despatch.[2]

By pursuing his search for this inner circle Odlum undertook to study each of China's principal leaders carefully to ascertain whether or not each one was in this small group. Thus, although the reason behind his research was wrong, the methods that Odlum used were excellent inasmuch as they enabled him to study all of the major leaders involved in China's governmental process. His tenacity was also invaluable to the Canadian government in getting a "picture" of these leaders since Odlum did not finally admit that his search had proved fruitless until January 19, 1944 when he wrote:

> There is no "brain trust" in the Chinese government. At first I believed it must exist and I set out to find it. But I failed, I now believe that it does not exist.[3]

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1 Canada, Department of External Affairs Archives, Ottawa, File 24-D(s), Appreciations of China Situation, Despatch from the Embassy in Chungking, January 27, 1944.

2 Ibid. British Government Analysis of China Situation, August 27, 1942.

3 Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, January 19, 1944.

In the meantime he had sent numerous despatches to Ottawa describing talks he had held with these various men and women, and giving his views on the relative merits of each individual. This is not to suggest that the Minister overlooked the actual structure of government that existed in China, but he found these (at least until late 1944 and early 1945) to be much less interesting, important or worthy of study, than were the personalities involved.. The one notable exception was his on-going study of Kuomintang-Chinese Communist Party relations, which will be dealt with in the final section of this Chapter.

Personalities

If one were to study the leading persons of war-time Free China, it would be ludicrous to begin anywhere else than with Generalissimo Chiang Kai-shek. As Odlum said, when discussing China's military, political, and administrative decision-making: "all lines, like those of a perspective drawing, pointed in one direction, and at the end stood a lonely figure--Chiang Kai-shek."[4] To say that Odlum was sympathetic to the Generalissimo would be a gross understatement; he took an instant liking to China's leader upon first meeting him, and held a high opinion of Chiang until he left China in 1946. This does not mean that he did not criticize the Generalissimo, for he did, but the instances of criticism and the severity of that criticism were far outweighed by praise and compliments.

It seems, if one is to believe both Odlum and British Ambassador Archibald Clark Kerr, that knowing the Generalissimo was both an

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[4] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, September 4, 1943.

interesting and a rewarding experience.[5] They agreed that one of Chiang's outstanding qualities was his personality, and in the beginning it was this that Odlum attempted to describe to Ottawa. Whether his method of analysis was the best possible in this case is open to question though!

> From his own lips and by his eyes, his hands, his mouth, his feet, I have judged the Generalissimo. His eyes, so delightfully animated, with such keen perception and such an almost instantaneous signal of each perceptive act, intrigue me. They are direct, steady eyes. I instinctively trust them.[6]

No matter how their analyses were arrived at, both Odlum and Clark Kerr agreed that their initial enthusiasm for the Generalissimo decreased after knowing him for a length of time. In the case of the latter diplomat, he left China well before the war reached its conclusion. Odlum had the opportunity to follow the changes in the character of the President from approximately the time of Clark Kerr's departure, in early 1943, throughout the remainder of the war years.

In the main, the impression that Odlum attempted to give Ottawa of Chiang's personality was one which "downplayed" all claims of greatness for the Generalissimo but which, at the same time, gave the reasons why the Generalissimo was the only possible leader for China at the time.

> He is by no means an outstanding able man, but rather combines the qualities of courage, quick perception and shrewdness. With his own hands, with his own character and personality, he holds China together.[7]

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[5] External Affairs Archives, File 25-D(s), British Secret Despatch from the Ambassador in Chungking, June 13, 1942.

[6] V. W. Odlum Personal Papers, Letter to Reverend James Endicott, June 8, 1945.

[7] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

From Odlum's viewpoint, other important features of the Generalissimo's personality were: determination to the point of obstinacy; unpredictability; strong ambition; impatience with those around him; and, a refusal to admit having made a mistake.[8] And yet, despite these less than complimentary remarks, in the same despatch the General wrote that he completely trusted Chiang Kai-shek and could not see how anyone else could not. As the war went on certain of these undesirable features of the Generalissimo's personality became more pronounced. For example, Odlum once wrote that "the Generalissimo is rapidly becoming more temperamental, more arbitrary, more irritable, and more distrustful of others."[9] Nevertheless, Odlum continued to believe in and trust the Generalissimo.

On at least one occasion this trust led the General into what appears to be a contradictory position in his evaluation of the Chinese President. In a letter to Prime Minister Mackenzie King on June 28, 1944, Odlum commented that he had discovered that rumors of "another woman" involved with Chiang Kai-shek, were not rumors but were, in fact, true, and that this other woman (a niece of Chen Kuo-fu) had borne the Generalissimo a daughter.[10] All of this was transmitted with no "editorial comment" but rather as a simple fact. Yet, only ten days later, the Canadian Minister, in a despatch to the Department of External Affairs, referred to a meeting called by Chiang to dispel

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8 Canada, National Archives, Ottawa, Vol. 244, File 2490, China: General, Despatch from the Legation in Chungking, October 5, 1943.

9 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, July 3, 1944.

10 Ibid. Letter to Prime Minister Mackenzie King, June 28, 1944.

rumors of "another woman". On this occasion, Odlum commented that "I do not believe that a man [the Generalissimo] can lose face by being truthful and honest."[11] (In a later despatch, "truthful and honest" became "manly and courageous.") One is at a loss as to what to make of this apparent contradiction, unless Odlum felt that it would be better for Chiang's prestige (and therefore, for the Chinese war effort) if the Generalissimo's "record" remained clean. Even in discussing parts of the President's personality that all observers agreed on--"he is, comparatively speaking, a taciturn man but not nearly as taciturn as most correspondents paint him"[12]--Odlum found ways to interpret such traits as being to the benefit either of China or of the Generalissimo himself. "He is inclined to be taciturn, probably because of sound natural instinct."[13]

From all of these features, then, Odlum drew his opinion of the Generalissimo as an individual; not an outstanding man in the Western sense of the word (that is, compared to men like Churchill or Roosevelt), but by far the most outstanding personality and public figure in China.

Very few things about the Generalissimo as an individual seem to have bothered Odlum sufficiently for him to write in a worried fashion about them, and they bothered him because of their influence on Chiang as a politician. "His knowledge (especially of the West and democracy)

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11 Ibid. Despatch from the Embassy in Chungking, July 8, 1944.

12 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, April 10, 1945.

13 Ibid. Despatch from the Embassy in Chungking, January 27, 1944.

is not wide, his education is not great, and he is neither a travelled man nor a reader."[14]

In his appraisal of Chiang Kai-shek as a politician and administrator Odlum was not as enthused about what he discovered as he had been about the man's personality, but he did accept the fact that the Generalissimo was the only possible leader for China at the time and therefore, whatever was done to keep the President in power was probably for the best.

Odlum was quite positive about the position occupied by Chiang Kai-shek--"the Generalissimo is in law and in fact the real government of China"[15]--and he was equally sure about how that situation had come to be:

> He secured his power, first as a member of a group, then as the leading member of that group, and finally as the result of a centralization of all the power of the whole group within his own hands.[16]

As well, the General was quite willing to concede that Chiang was "an autocrat, a dictator", and was quite aware of all that that implied about the way in which the Chinese government was run.

> There is more of totalitarianism than laissez-faire in the present government of China. The practices of Fascism, both authoritarian and "liquidating" have been practised here under the present leadership.[17]

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14 Ibid.

15 Ibid.

16 Ibid.

17 National Archives, Vol. 240, File 2490, Despatch from the Legation in Chungking, October 5, 1943.

The Canadian Minister did not deceive himself into believing that this dictatorial situation was a product of the fact that Chiang was a particularly good administrator and therefore required and could effectively use such powers; in fact, quite the opposite was true. According to the General, Chiang's three main failings as China's leader were: exceedingly poor or erratic judgment of men to use as ministers; which led to over-centralization of power in his own hands; and the creation of intimate ties between Chiang's government and the gentry and banking class of China.[18] Of the first of these he wrote:

> He has to work through very indifferent tools. I do not think our Canadian leaders would stick it out under such conditions. Here there is little competence or honesty.[19]

About the second, his best comment was that "his success lies in concentrating power in his own hands and then doing nothing calculated to shatter the structure he is building."[20] Odlum's fear in this case was that by building such a highly centralized structure, when the time came to abandon such a government and move to a more representative form, Chiang would be unwilling and/or unable to make the transition, with the result being a "phony" democracy.

To the third of Chiang's failings as a political leader, Odlum ascribed the possibility of bringing about the total ruin of China, politically.

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18 V. W. Odlum Personal Papers, Letter to Reverend James Endicott, June 8, 1945.

19 Ibid.

20 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

> Looking ahead--if the Generalissimo cannot use power as well as hold it, and if he is content to let his followers devote their energies to the task of perpetuating their positions, a crash will come. In that case, Communism will spread and become the alternative to the KMT, or China will fragment even more disastrously. The Generalissimo is sincere in believing that he really represents the spirit of all China. But he does not.[21]

Two other weaknesses, at least from Odlum's viewpoint, plagued the leadership of Chiang Kai-shek, and grew in importance and effect as the period of the war went on. The first of these was Chiang's preoccupation with more and more "petty" affairs to the exclusion of the major events of state. The other was a "pulling back" by the President into the background, where it became more and more difficult to approach him with information and opinions contrary to his own, and which also made it almost impossible for him to receive the information that he needed for the crucial decisions that he was making daily. Both of these bothered the Canadian Minister sufficiently to warrant mentions in several of his despatches.

However, despite his criticisms of the Generalissimo as a leader, Odlum continued to sympathize with Chiang and with the job he was attempting to carry out.

> He is facing a strange, imponderable machine, without any obvious handles to grip. China has no enthusiasms for him to capitalize, and he cannot inspire enthusiasm. No matter which way he may try to go, China may fall apart. His load is almost too great for any man.[22]

As well as pointing out the huge size of the task confronting Chiang, Odlum took pains to ensure that Ottawa was aware of the fact

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[21] External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, February 2, 1944.

[22] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

that no one included Chiang in the criticisms aimed at the financial wrongdoings of his administration--"I am sometimes almost surprised to find how quickly everyone, Chinese and foreigners alike, tries to disassociate the Generalissimo from any suggestion of wrongdoing."[23]

At times the General was not totally convinced that Chiang Kai-shek was as thoroughly in control of China's government as most people assumed him to be. Instead, Odlum believed that there were large parts of the government that simply went on about their affairs, interfering with no one and wishing not to be interfered with by anyone--even the Generalissimo.

> I believe that the Generalissimo, who holds all the lines of effective authority, pulls at times at many of these lines without getting any response; and that he leaves many others alone when drastic action is clearly indicated because he fears that the result of interference would be something worse than mere failure to comply.[24]

However, once again the General's sympathetic feelings came into contradiction with what he himself suggested to be facts. As was noted above, Canada's representative had grave doubts about the possibilities of Chiang being able to accept the lessening of his own personal power with introduction of democracy. And yet on several occasions this same man wrote to Ottawa with comments such as: "I think there is evidence to show that Chiang is honest when he says China is to be a constitutional democracy"; or, "Does this man intend to lead his people towards a democracy - today I believe he does." How the General can have held

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23 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, October 17, 1943.

24 Canada, Department of External Affairs Archives, Ottawa, File 5667-40, China's War Effort, Despatch from the Legation in Chungking, October 19, 1943.

both these views simultaneously is extremely difficult to understand, except perhaps in the context of a statement made earlier in his letter to Endicott, "I determined to accept what the Generalissimo told me personally as a better guide to his intentions than anything else I might hear."[25]

However, no matter how sympathetic Odlum may have been he could not and did not try to hide his apprehensions about the stability of Chiang's regime and its potential for success in post-war China.

> In Chiang Kai-shek's present leadership I see no regeneration of China--only a frail unity which serves a major purpose in this time of trial. As no other man could do today, he is able to hold China together--at least superficially. If there is to be strife and fragmentation, he is successfully postponing it.[26]

General Odlum was not really "sold" on Chiang's abilities as a military commander either, although, as usual, he sympathized with the task to be done. Once again he blamed Chiang's inability to rise above the petty aspects of the military campaign.

> As Commander-in-Chief of all the armies of China, he personally directs, by telephone, the operations of a single division of fewer than 10,000 men--he gives the divisional commander direct orders fixing in detail what he is to do, thus by-passing the whole chain of command.[27]

What worried Odlum about this situation was that when it was combined with the Generalissimo's apparent "shrinking" into the background (and thus being more and more cut off from reliable information) the result would be a distorted perspective from which there was no way that

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[25] V. W. Odlum Personal Papers, Letter to Reverend James Endicott, June 8, 1945.

[26] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

[27] Ibid.

Chiang could supervise the war effort.

The General's principal conclusion about Chiang's military leadership was that he had a quick instinct which allowed him to see what was crucial in any situation and what was not, and this instinct enabled him to avoid major mistakes. As an example of this instinct Odlum was particularly laudatory of Chiang's choice of Chungking as his war-time capital.

However, even in the midst of these plaudits Canada's representative cautioned Ottawa not to expect too much from the military leader of their Chinese ally.

> But, brilliant as he is in flashes, Chiang Kai-shek does not build up his armies into well integrated machines. He is not capable, for example, of landing an army in Europe and establishing a "second front." That task would be far beyond him.[28]

Despite these "question marks" about Chiang's abilities in all of the roles that he played in China during World War II, General Odlum never abandoned his belief that the Generalissimo was the only answer to China's problems at that time. In his record of discussions with Odlum in September, 1944 Prime Minister Mackenzie King notes that "he believes the Generalissimo is the one person who can save China."[29]

Even in giving an overall assessment of the Generalissimo's strengths and weaknesses, as he felt he should in early 1944, the criticisms for the most part were "softened" by a sympathetic explanation.

In reassessing the Generalissimo I have found it nedessary to:

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28 Ibid.

29 Canada, National Archives, Ottawa, William Lyon Mackenzie King Diaries, Vol. 149, p.912.

(a) Lower my estimate of his educational standing and intellectual ability

(b) Increase my estimate of his native wisdom and his capacity to lead his peculiar people

(c) Recognize his keen sensitiveness to true popular sentiment

(d) Accept his avowal of adherence to a democratic program but doubt his capacity to really move far in that direction

(e) Lay greater emphasis on his intuitive soundness rather than on his reasoned judgments

(f) Agree that he stands alone, with few, if any advisers, and the closest not by any means the best

(g) Admit that Madame Chiang is a greater factor than I had thought

(h) Doubt if, when the time comes, Chiang will be willing or able to relinquish his great personal power and authority

(i) Stress even more strongly his personal integrity

(j) Believe more emphatically than before that he is China's only possible present-day leader.[30]

The mention of Madame Chiang Kai-shek calls for comment. If Odlum reported extensively about the Generalissimo, the same cannot be said for his writings on Madame Chiang. This was not because he was unimpressed with Madame Chiang, but rather because Odlum felt strongly that there existed a crucial interdependence between the two Chiangs, and so comments about Madame Chiang were often included briefly in overall despatches about the President. Speaking of one of her absences in the United States, General Odlum commented that such absences were crucial for China because:

> The Generalissimo used to depend on Madame Chiang to interpret the democracies to him. Now that she is not here he has no-one whom he completely trusts, on whom to lean.[31]

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[30] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

[31] Ibid. Despatch from the Embassy in Chungking, April 10, 1945.

This opinion of Madame's position in the Chinese political structure was common, as Odlum noted in conversations with Madame Sun Yat-sen (on April 7, 1945) and with Carsun Chang (on August 20, 1943). He was, however, careful to point out that this dependence was neither unbreakable, nor had it produced great similarities between the two Chiangs.

> Both are ambitious, but she is "exhibitionist" ambitious, while he is just the reverse. She is the dynamo, he the governor. She has quick impulses which determine her policy; he has impulses too, which frequently govern his acts but seldom his policy. He thinks, and decides. And to what he has decided he sticks. Madame Chiang's impulses are stronger, her pride greater, her long term policy less solid. She, too, has a temper, and an irritable one.[32]

Despite his own high opinion of Madame Chiang, Odlum feared the result of her continued influence on the Generalissimo, especially on the question of the establishment of democracy. It was Odlum's belief that when the final crisis came Madame Chiang would be found strongly supporting the side of continued personal authority:

> She cannot resist the center of the stage; she is driven by ambition; she is avaricious; she has great confidence in herself and in her husband; she is naturally aristocratic.[33]

All of these facts were apparently not lost on the Chinese people either; as the General said, "she is neither popular nor trusted in China."[34] And yet, despite these warnings to Ottawa, and his own qualms about Madame Chiang, General Odlum continued to hold her in high regard and write flattering things about her, such as "she is explosively kind . . . she explodes with sympathy."[35]

Canada's Minister to China did not limit his enthusiasm for the

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[32] Ibid. Despatch from the Embassy in Chungking, January 27, 1944.

[33] Ibid.

[34] Ibid.

[35] Ibid. Despatch from the Embassy in Chungking, April 7, 1945.

Soong family only to Madame Chiang Kai-shek. He was very fond of all of the Soong sisters, although less enthused about their brother, T. V. Soong.

> I know the three Soong sisters quite well and I am proud of them all. Those who repeat stories about them should be punished some day--should be cast into a lake of fiery remorse.[36]

Odlum was again "flying in the face" of the prevailing attitudes and opinions of the rest of the diplomatic community, which almost totally distrusted the entire "Soong Dynasty" as it was called. Odlum did not accept these criticisms because "I do not get a psychological 'warning signal' from any of the Soongs."[37]

Despite this lack of "warning signals", though, Odlum remained cautious when discussing T. V. Soong, often noting the superior ability and intelligence of the man. What made the General cautious was T. V.'s great administrative ability, and the extent to which it over-shadowed that of the Generalissimo. This created tensions between the two men which often caused at least temporary disunity within the rest of the Soong-Chiang-Kung group when the President felt it was necessary to discipline his brother-in-law. As a result China's war effort was weakened by the shuffling of ministers to fill T. V. Soong's position or positions. On the relationship between T. V. Soong and the Generalissimo, Odlum wrote:

> The only one to get violently out of step is Dr. Soong, who frequently ploughs a lonely, brooding furrough, and who is too gifted and ambitious to be ever completely trusted by the Generalissimo.[38]

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[36] External Affairs Archives, Odlum Primary Correspondence (1944), Letter to the Prime Minister, July 3, 1944.

[37] External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, October 17, 1943.

[38] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

This opinion was registered with Mackenzie King who noted that:

> Odlum was sorry to say that he thought T. V. Soong was not to be wholly trusted in his relations with the Generalissimo. That there were contrary ambitions there.[39]

Another of China's leaders about whom General Odlum had some qualms was Chiang-Kai-shek's other brother-in-law, Dr. H. H. Kung. Even so, Odlum never felt as strongly about Kung as did some of the other diplomats assigned to Chungking. Perhaps at the farthest extreme of criticism stood one-time British Ambassador Archibald Clark Kerr. His views of Dr. Kung led him to say such things as:

> It is hard to reflect upon or to write of Dr. Kung with any patience. He is a cancer in the belly of China. It is probably fair to say that many of the acutest of China's present financial and economic problems are due to his ignorance, his cocksureness, and his preference of his own interests over those of his country. Nothing in the life of Dr. Kung would become him more than his disappearance from office. If China at war can but survive Dr. Kung, China at peace will know how to rid herself of her other sicknesses.[40]

On the other hand, Odlum felt that "Dr. Kung is not the 'devil' of the play and far from being a 'scheming genius'."[41] He was, however, quick to point out certain weaknesses in Dr. Kung. The General was particularly critical of Dr. Kung's preparation for the position of Finance Minister--such a difficult and crucial post in China at the time--"he is neither a trained economist, nor a student of finance."[42] The General even hinted at the possibility that the confusion and lack

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[39] National Archives, Mackenzie King Diaries, Vol. 149, p.912.

[40] External Affairs Archives, File 25-D(s), Secret Despatch from the British Ambassador, June 13, 1942.

[41] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

[42] Ibid.

of correct information that he discovered on first arriving in China, might well have been done consciously by Dr. Kung to prevent embarrassing questions which his lack of training would have made impossible for him to answer.

Odlum refused to listen to any suggestions that Dr. Kung had become wealthy as a result of corruption within his office--despite Kung's own statement that "he was worth over $700,000,000 in United States funds."[43]

> I am inclined to completely exonerate Dr. Kung of many of the charges of profitting from his public positions. These stories were started by discontented public officials who passed them to foreigners who were eager for such news.[44]

It is perhaps interesting that the word used was "many" and not "all".

The reason for keeping Kung in his positions of power, rather than using the much more able T. V. Soong, was quite obvious to Odlum--Kung displayed unquestioning loyalty to the President. Also, his financial methods were sufficiently similar to those that Chiang understood that they became essential in the President's political-economic balance. Furthermore, Kung had no ambitions contrary to that of the President. Finally, he provided a strong link with the banking and gentry classes which were the main sources of Chiang's support.

Once again, in his analyses, the General failed to find, or refused to recognize Kung as a possible source of China's many problems. Odlum was sympathetic toward Kung, although dubious of his ability, but in the

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[43] Canada, Department of External Affairs Archives, Ottawa, File 5741-40C, Economic and Financial Conditions in China, Despatch from the Embassy in Chungking, February 7, 1944.

[44] External Affairs Archives, Odlum Primary Correspondence (1944), Letter to the Prime Minister, July 3, 1944.

eyes of his fellow diplomats he was much too sympathetic, too easily swayed, and not sufficiently realistic, but Odlum could not accept such criticism. In his view Kung had made some steps toward progress.

> China's financial system is a patchwork one, but the patchwork is an improvement on the rags and tatters which preceded it. Progress has been made and I feel that a reasonable acceleration is proceeding.[45]

As was stated previously, by early 1944 it was Odlum's considered opinion that the inner circle of "real thinkers" for which he had been searching did not exist. Instead, he had concluded that the Soong-Chiang-Kung group really controlled China, and that, in fact, the rest of the individuals whom he had interviewed were actually very far from the real decision-making process. There were certain of these latter individuals who stood out in the Minister's mind, and so he attempted to communicate something about each of them to Ottawa. Not all of those he interviewed will be discussed below, only those few who made a lasting impression on the General.

Quite often Odlum referred to the "rest" of the Soong group--not the five mentioned previously, who actually ran the country, but those two who were tied to the main group almost accidentally--Madame Sun Yat-sen, and Dr. Sun Fo. The former, Odlum described as "quite outside the active circle, like a queen dowager."[46] She was very popular with the public both because of her name and also because of her humanitarian attitudes. Despite her almost figurehead role she was an able, consistent, and fundamentally honest woman who differed from the rest of her

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[45] External Affairs Archives, File 5741-40C, Despatch from the Embassy in Chungking, January 7, 1944.

[46] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

family by holding rather "leftist" views, including support for agrarian reform and changed taxation methods.

General Odlum's opinion of Dr. Sun Fo (Sun Yat-sen's son by a previous marriage) changed radically during the time of his work in China. At first he was quite enthused with the young man and saw him as "a leading light in the drive for Chinese liberalism and in Chinese politics."[47] Odlum and Madame Sun Yat-sen agreed that Dr. Sun Fo's particular influence was in North America and Europe but that he did have potential for political growth in China. However, just one year later the Minister's opinion changed.

> Dr. Sun Fo was something of a disappointment. I fear that I have plumbed his depths and perhaps hoped for too much from him; he lacks the dynamic fire of a leader. He had very little to say that was of real value--in fact, Dr. Sun Fo was dull.[48]

Another individual about whom Odlum wrote on a few occasions was Carsun Chang, leader of the Nationalist Socialist Party of China (one of the outlawed opposition political parties). His opinion of Chang was formed early and he never deviated from it. In a despatch of August 9, 1943, Odlum described Carsun Chang as "a scholar and thoughtful, rather than dynamic, aggressive, and a political leader type."[49] As well Odlum was impressed with the man's political attitudes which the General considered to be those of a true liberal, devoted to democracy, not those of an extremist as Chang had sometimes been "painted".

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[47] External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, April 16, 1944.

[48] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, April 7, 1945.

[49] External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, August 9, 1943.

The one man from outside of the Chiang-Soong-Kung group about whom Odlum wrote most copiously was Chen Li-fu, one of the co-leaders of the "C. C. Clique"[50] within the Kuomintang. Once again the General found his opinion "at odds" with almost everyone else writing about Chinese leaders. Chen was often described as a Fascist or a reactionary, but Odlum rejected both these charges--"if Chen Li-fu is a reactionary then I am a devil"[51] was one comment Odlum made about this criticism. As was usually the case, the Minister based his opposite view on his more numerous and more intimate discussions with Chen than had been held by any of Chen's critics. Instead, Odlum pointed to Chen's good work in the field of education, of which he was the Minister; as well, the General saw nothing particularly dangerous or devious in Chen's work within the Kuomintang,

> It is not devotion to big business that makes him earnest and efficient in party work; it is devotion to Dr. Sun Yat-sen, to the Generalissimo and to China. He is a dreamer in many ways. I see him as an ascetic, a scholar, and a man of very deep loyalties.[52]

Of the remaining Chinese whom he interviewed, Odlum never attempted an analysis but rather simply re-wrote the contents of his discussions with them, without making any comments about the individuals themselves.

These were the major personalities and groups of personalities that Odlum identified as being the true leaders of China. No matter how many others might be involved in various aspects or layers of government the

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[50] This group, also known as the Organization Clique, was a right wing faction of the KMT. Headed by the Chen brothers, it controlled the civil segment of the party bureaucracy and opposed any political group which it felt was incompatible with Sun Yat-sen's Three Principles.

[51] Montreal Gazette, October 4, 1944.

[52] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, April 7, 1945.

ultimate decision-making power rested with these few individuals, and in the final analysis, rested almost entirely with Chiang Kai-shek. Of course it would be ludicrous to suggest that all government and politics in China emanated directly from these people; some government organization had to exist, and the remainder of this Chapter will attempt to describe that organization, the attempts made to modify it, and the way in which this organization, combined with the leaders mentioned above, confronted the one problem that plagued China throughout General Odlum's tenure: KMT-CCP relations.

Political Processes and Institutions

The government to which General Odlum was accredited was, in many ways, different than any other in the world. On first appearances it was a democratic state, with an elected government and a number of departments carrying out the work of a nation at war. In theory the one party that existed provided all of the individuals needed for upper-level decision-making. However, what existed instead was the centralized control of the government in the hands of a very few individuals at "the top", and among them almost total political control lay in the hands of Chiang Kai-shek. "Silently, steadily, thoroughly, the power controls were passed over to the Generalissimo, in the name of democracy, and by legitimate and constitutional steps."[53] Odlum's term for the position held by Chiang Kai-shek was "Constitutional Dictator".

Beneath the level of the Generalissimo there existed two parallel systems of government both "running downward" toward the mass of the people. On the one side existed the National Government, with all of the

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[53] Ibid. Despatch from the Embassy in Chungking, January 27, 1944.

appropriate ministries, departments, and civil service. On the other side, existing almost as a mirror image of the National Government, was the Kuomintang party organization, with the same ministries, departments, and a corresponding civil service. The rationale for this was provided in the writings of Sun Yat-sen, who predicted a "tutelage" period for both the Chinese people and their government in which the party would have to "show the way". Thus, of the two parallel structures, by far the more powerful was the KMT. This is not to suggest, though, that the party was omnipotent--no matter what the problem, no matter which department was involved, the final authority rested with the Generalissimo. When he decided on government policy it was carried out--no matter whether it was contrary to what the National Government had been planning or whether contrary to Kuomintang planning, or to both.[54]

What surprised Odlum about all of this was the lack of irritation or bitterness among either the KMT or the government employees, who continued to perform an "exercise in futility" daily, waiting for the President to either grant them the power to accomplish something, or to reject their ideas and use his own plans instead. Through all of these efforts it was always the KMT that stood the better chance of success, and which had the deciding voice if a question ever reached that level of judgment.

But all of this is not meant to imply that the KMT was an all-powerful unitary structure in which everyone worked toward the same goals all of the time. In fact it was fragmented by a number of cliques which struggled for power within the party organization. Among

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54 Ibid.

these were: the C.C. Clique (run by the Chen brothers); the Whampoa Clique; a clique in support of Dr. Kung; a clique supporting T. V. Soong; and finally, a rather leftist clique around Dr. Sun Fo.[55] Of all of these, the first was by far the most powerful but even its efforts were tempered by the need for retaining support from other cliques, to allow it to remain "on top".

A further complicating factor in all of this was the series of measures being taken both inside and outside of the government to increase the amount of democracy that existed in China, or at least to give a greater "show" of democracy to the rest of the world. The first sense that Odlum had of this new attitude that he felt was coming was on the occasion of a very liberal speech by Sun Fo in April of 1944. Of this speech Canada's representative said "the fact that Sun Fo was allowed to make this liberal and critical speech indicates that fairer 'political weather' is ahead and better days are coming to China."[56] Throughout 1944, up to the time of his leave in Canada, Odlum continued to write of his hopes for increased liberalism and a reduction in some of the repressive measures then being used by the government. When he returned from Canada in 1945, these hopes seemed to centre on the two upcoming political gatherings of mid-1945: the Kuomintang Congress, and the People's Political Council.

Odlum believed that two vital steps had already been taken on the road toward a form of democracy. The first of these was the beginning

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55 Ibid. British Government Analysis of China Situation, August 27, 1942.

56 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, April 10, 1944.

of the establishment of the "hsien system" in rural China. The hsien was to be the basic unit organ of government, that is, representative local government. The virtue of this system, to Odlum, was that it was "of the people, by election, and it lives and functions amongst the people."[57] However, it also suffered from two inherent weaknesses. The first of these Odlum noted--the fact that instead of power being sent upward from the hsien, rather power was to be sent down to it from whatever authority existed above, and there was no guarantee that that authority had to be democratic. The second weakness of the hsien system, as indicated by T. A. Bisson, was that all candidates for hsien office had to have passed through an accepted KMT training school,[58] thus limiting the freedom of the hsien leadership once it was elected.

The second encouraging sign for Canada's representative was the fact that the final form for the democratic government of China had been chosen already. He likened it to his version of Swiss democracy.

> It had been decided that China should pattern her government largely on the Swiss system. The basis would be the "Convention", a permanent body, 2,000 strong sitting for a month each year, and constituted of representatives from all of the hsien in China. A single representative would be elected by popular vote in each district. The representatives so elected would meet in "convention" and would elect the heads of government and the presidents of the various Yuan. At that point the positive duties of the Convention would cease, although it would have the right to express opinions and give advice. Once elected, the Government itself would take over, probably for a period of three years, and would have full power.[59]

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57 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

58 T. A. Bisson, "China" Part in a Coalition War," Far Eastern Survey, XII. (July 14, 1943), 140.

59 Canada, Department of External Affairs Archives, Ottawa, File 4526-40C, Appointment of V.W. Odlum to China, Despatch from the Legation in Chungking, June 10, 1943.

Odlum saw this as encouraging because it was expressed to him both by the Generalissimo and by other leading members of the KMT as being the definite direction toward which they were all aiming, and it was their intention to have this system fully operational one year after the end of the war. It was for this reason that the political conference of 1945 were awaited so expectantly in the Canadian Embassy.

The first of the two events was the Kuomintang Congress of May, 1945. Although this was not the first such Congress to be held during the war, it was the one which was expected to bring more political freedom and responsiveness to public needs into the Chinese government. As such, it apparently came as a considerable disappointment to Odlum because he had expected so much from it. As early as April he had attempted to convince Chiang Kai-shek to use the Congress as a place to demonstrate the Generalissimo's often-stated "new drive toward democracy." He had found Chiang favorably impressed with this idea.[60] However, when the Congress was over Odlum discovered that this "liberalizing trend" he had hoped for had been neglected. His analysis of the Congress was that:

> The Congress was simply not outstanding. There is no eagerness to surge forward; nor is there any disposition to give control to the reactionaries. The resolutions passed at the Congress indicate that there is no strong opposition to a progressive program provided it is sponsored by the Generalissimo.[61]

He praised the Congress for certain of its actions, though, as these were "steps forward". In particular he saluted the resolution to attempt to achieve a political solution with the Communists, and also the

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[60] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, April 10, 1945.

[61] Ibid. Despatch from the Embassy in Chungking, May 30, 1945. (Italics in Original)

resolution to reduce the role of "political Commissars" in schools and in the army. Thus for Odlum, the Kuomintang Congress was at least partially successful, although it did not go as far as he would have liked it to go.

In this regard he was quite at odds with Dr. James Endicott who continued to write to Ottawa with his analyses of the Chinese political situation. Endicott felt that the Kuomintang Congress had accomplished nothing, which was understandable since it had not been intended to accomplish anything, except to deceive the Western allies that some semblance of democracy was "alive" in China. His analysis was quite different from that of the Ambassador.

> A careful analysis of the inner working of the various committees in the Session convinces this commentator that the Session was basically an anti-Communist and anti-Democratic Session, its main purpose being to think of ways and means to put up a facade that will satisfy the United States demand for reforms and for "democratic progress" and at the same time organize for the strengthening of the absolute dictatorship of the inner circle of the Kuomintang.[62]

This difference of opinion between Odlum and Endicott was not confined only to analyzing these various conferences. As will be noted in the next Chapter, the two differed quite markedly on the total question of whether or not Canada should support the Chiang Kai-shek government.

If the Kuomintang Congress was even partially successful in Odlum's eyes, the same cannot be said for the July, 1945 session of the People's Political Council. That the General felt great things could come from the P.P.C. is obvious:

> The P.P.C. could be allowed--no, forced--to flower, with all the democratic attributes and powers and freedom of discussion that Chiang could add to it. It is the one thing in China already known to the world which quickly could be put out in front and which would be accepted as a liberal organ.[63]

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62 Ibid. Letter from Endicott to Robertson, June 8, 1945.

63 Ibid. Despatch from the Embassy in Chungking, April 10, 1945.

What a far cry this optimism is from the despatches that the Canadian Minister sent to Ottawa both during and after the Council meetings.

> July 10th - With three days out of ten already gone, People's Political Council is not measuring up to my expectations. It is possible that changes made at Kuomintang Congress when some Liberals were dropped, eliminated too much progressive element.[64]

Unfortunately the Council appears not to have improved during the remainder of its duration. Odlum's main criticisms of the sessions were that they were "long-winded attempts by government ministers to keep from being put on the spot" and also that at no time did the sessions ever come to grips with the actual problems of relations with the Communists and of the transfer of China from the period of tutelage to the period of constitutionality.[65] The one issue that did confront the P.P.C., the question of whether or not to hold the National Constitutional Congress in November, was never solved but simply left for the Central Executive Committee of the Kuomintang to solve. All in all, perhaps the best summary of Odlum's disappointment with the People's Political Council is his own statement, "The P.P.C. has passed a large number of resolutions, most of them quite innocuous!"[66]

Throughout all of his period in Chungking, the one political problem that consistently bothered both Odlum and the Central Government was relations between the Kuomintang and the Chinese Communist Party, located in Yenan. In this area of politics Odlum seemed unable to make up his mind as to what was truth and what was not.

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64 Ibid. Despatch from the Embassy in Chungking, July 10, 1945.

65 Ibid. Despatch from the Embassy in Chungking, July 18, 1945.

66 Ibid.

In 1943, the General's position was one of sympathy with the efforts of the Communists, at least in the realm of economic and political restructuring of their society. He stated:

> Local majorities actually rule in the Communist area; . . . the Communist system does function in the interests of its people. In Central Government China there is profiteering, exploitation and enlargement of land holdings on a large scale; in so-called Communist China there is none. Communist Army leaders do not sell the food of their men. Every bit of evidence that comes in emphasizes this.[67]

However, Odlum's view of the Communist Chinese was tempered in 1943 by the belief that these people were not, in fact, Communists but rather simply democratic with "Communist forms and terminology imposed."[68] This was a view that was quite common in 1943 if one can judge from the writings of T. A. Bisson who held exactly the same views as Odlum, both of the beneficial nature of the Yenan regime, and of its "true" political nature.[69]

This sympathetic view did not extend, however, to military and strategic affairs, in which the General was quite aware of the strategic position occupied by the Communists and the impact that this was having on the military planning of Chiang Kai-shek's generals. In August, he noted, in a despatch to External Affairs, that Chiang Kai-shek was still fighting the Communists with the best part of his army, because of the position that the Communists held between the KMT forces and Manchuria, which everyone agreed would be the heart of China's post-war reconstruction.[70] For the remainder of 1943 this pre-occupation with a possible

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67 External Affairs Archives, File 5667-40, Despatch from the Legation in Chungking, September 28, 1943.

68 Ibid.

69 Bisson, "China's Part in a Coalition War", pp. 139.

70 National Archives, Vol. 244, File 2490, Despatch from the Legation in Chungking, August 28, 1943.

Russian advance into Manchuria supported by the C.C.P. seemed to be the total focus of Chinese government and Canadian legation concerns with the Communists in China. The Canadian Minister's most "telling" comment during this time period, in reporting his discussions, was that "China is not even yet ready to sit down and coldly analyze the military position in the Far East. It will not stand analysis."[71]

By early 1944, Odlum's sympathy for the efforts of the Chinese Communists had waned slightly but this was combined with a definite note of condemnation of the Central Government when he wrote about the Communists.

> It is not strange that "democracy" has no electric appeal to the farmers since, in the form in which it is presented by the Kuomintang and the National Government, it says nothing of a change in the system of land ownership, nothing of redistribution of land and its return to the farmers, nothing of the lightening of interest and debt burdens; instead it fights the only group who do propose a program which includes all these measures--the Communists![72]

However, at the same time Odlum began serious criticism of the Communists for their refusal to yield to Chiang Kai-shek some of the powers in their areas that he needed if he was going to be able to pursue the war effort successfully.

By May, 1944 Canada's representative appears to have lost his sympathy for the Communists due to two sets of circumstances. The first of these was a documented report of an agreement between the Japanese and the Communists. The apparent nature of this agreement

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71 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, October 6, 1943. (Italics in Original)

72 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

which the General communicated to Ottawa, was a mutual non-aggression agreement that would allow C.C.P. forces to advance in certain areas while the Japanese would be allowed to withdraw certain of their troops for preparation for home defence. All of this Odlum described as being a "distinct possibility"[73] despite the fact that the despatch contained a note by George Patterson suggesting a degree of reservation be used in evaluating it, "due to the source"!

The second event that "soured" General Odlum on the Communists was a series of conversations he held with members of the Kuomintang and the National Government on the true nature of the Communists.

> The combined effect of all these conversations has been to raise in my mind a doubt concerning the picture, so widely held and which has been mine, of Chinese Communists, separated from and cruelly neglected by Russia, blockaded and starved by a China to which, in spite of their sufferings and harsh treatment, they were devoted, but still battling for the rights of the common people and for the spread of education and democracy. If instead of this they form a strategic arm of Russia, the whole picture changes and the world becomes concerned at once.[74]

Thus by the summer of 1944, Canada's Minister had reversed his earlier sympathetic view of the Chinese Communists and had taken a much "harder line" toward them--to the extent that he reported to External Affairs (June 20, 1944) that he felt there were no real grounds for success in negotiations with the C.C.P. If the Communists could not be successful, Odlum believed they would rather split China or join with Russia than work as a minority party in a Kuomintang China.

By the autumn of 1944, General Odlum had sufficiently rejected the Communists as a force that he was able to tell the Prime Minister that

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[73] External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, May 31, 1944.

[74] Ibid. Despatch from the Embassy in Chungking, June 6, 1944.

"there is no danger to fear in Communism. Chiang Kai-shek will be able to control the situation"[75]; and at the same time to reject or ignore a report, which he himself had commissioned, on the actual conditions in Yenan. This report, written by Ralph Collins, stated the following conclusions agreed upon by journalists who had visited Yenan:

(1) The C.C.P. is fighting the Japanese effectively within the limits of its resources

(2) The administration has concentrated upon increasing and improving agricultural production

(3) The extent of C.C.P. domination of the government compares favorably with the exclusive role played by the KMT in Free China

(4) Conditions of health, clothing, and prosperity are much better than in Free China

(5) Morale in the army is good and it is popular with the peasantry

(6) Taxes are not on land but rather on crop yield, that is, a form of income tax

(7) There is a very real degree of local self-government, with a form of direct election operating in the villages

The overall picture is one of a genuinely popular regime; among the mass of the population there would appear to be a degree of cooperation with the government on all levels that is unusual in China.[76]

Despite this laudatory report, General Odlum spent his leave in Canada as an avowed opponent of the Communists in Yenan and was just as opposed when he returned to China in the spring of 1945.

However the first conclusion that he was forced to reach on his return was that there was "something" to the claims that the C.C.P.

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75 National Archives, Mackenzie King Diaries, Vol. 149, p.913.

76 Canada, National Archives, Ottawa, Vol. 352, File 3796, World War II - China, Report by R. E. Collins on Conditions in Yenan, November 7, 1944.

armies had been fighting better than the KMT forces. His explanation for this unexpected situation was "because the Chinese are so individualistic and won't play the 'team' way, so C.C.P. guerilla activities are better suited to their attitude."[77] There were reports that this new fighting strength was a product of United States equipment being sent to Yenan without General Hurley's knowledge, but Odlum doubted this.

The one thing that he did not doubt, however, was that the failure to achieve an agreement between the two groups of Chinese was purely and simply a product of Communist intransigence. This attitude on their part, he felt, was a result of the C.C.P. exaggerating their moral support which they felt they were beginning to receive both among Americans in China, and in the United States itself. His view was that the Communists had not been negotiating seriously but rather were simply using the talks for propaganda purposes.[78] In fact, the General was not sure that there was any value in reaching an agreement with the Communists at all: "They clamour for a coalition! How do you coalesce with the devil?"[79]

As late as June and July of 1945 the Canadian representative continued to find "ammunition" for his anti-C.C.P. feelings. In one despatch to External Affairs, he made a determined case for the fact that the Communists were not being blockaded in their areas, but rather

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77 Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1945), Letter from Odlum to the Prime Minister April 3, 1945.

78 Ibid.

79 V. W. Odlum Personal Papers, Letter to Reverend James Endicott, June 8, 1945.

that the KMT troops would have had to be there at any rate for tactical purposes.[80] In another despatch of July 18, 1945 he commented: "evidence of organized cooperation between Communists and Japanese is becoming convincing."[81]

Notwithstanding all of the above "evidence" in support of an anti-Communist stance on the part of General Odlum, he made two comments that indicated, first, that he was not as convinced as he had been of the truth of his sources; and second, that he really did not understand the extent of Communist support or the depth of the "chasm" that separated them from the Central Government.

On July 30, 1945 in a despatch relating to C.C.P.-Japanese co-operation, the General stated:

> I gather from the evidence that the Communists are stronger numerically and have more arms than the National Government Commanders have been telling me. It strikes me that I have been given that information which makes the Communists appear weak, while some other conflicting information has been withheld. I have been compelled to raise my estimate of the probable Communist effective strength. It is still, I think, not very impressive.[82]

Even with this new appreciation of the C.C.P. and its strength, General Odlum felt sufficiently confident in the Central Government to make the following comment to the Prime Minister in his final letter before the end of the war: "I am not seriously disturbed about the Communist issue. It is troublesome and may lead to some fighting, but it can and will be solved.[83]

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80 External Affairs Archives, Odlum Primary Correspondence (1945), Despatch from the Embassy in Chungking, June 7, 1945.

81 Ibid. Despatch from the Embassy in Chungking, July 18, 1945.

82 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, July 30, 1945.

83 External Affairs Archives, Odlum Primary Correspondence (1945), Letter from Odlum to the Prime Minister, August 7, 1945.

Despite the fact that he was rather in error in his analysis of the Communist situation, in any number of other situations General Odlum appears to have had an excellent understanding of the conditions that created problems both for China and for Canadian relations with China; and in most cases he felt that he also possessed solutions. The next Chapter will deal with his policies, suggestions, and recommendations made both to External Affairs and to the Chinese Central Government.

CHAPTER IV

SUGGESTIONS, RECOMMENDATIONS, AND POLICIES

While in Chungking, General Odlum conceived a number of potential solutions to China's war-time and post-war problems. He even had solutions for things which the Chinese themselves did not consider problems. These he communicated to the Chinese in interviews and occasionally by letter, and to the Department of External Affairs in his despatches.

Although one might have expected the majority of Odlum's recommendations to have been in the military field, in fact this was not the case. By far the greatest number of his recommendations fall under the heading of economics, and in particular China's post-war trade and economic prospects and their bearing on Canada and Canadian trade. This was not the result of a special interest of Odlum's (although he was a businessman in private life), but rather in response to a directive sent to him (and apparently to all other Canadian diplomats) by Norman Robertson of External Affairs:

> a request that Ambassadors and Ministers devote considerable attention to post-war planning in the country to which they are accredited, setting forth: the machinery that has been set up to study post-war problems; the matters on which chief emphasis is being laid; and the general progress that has been made. It would be appreciated, also, if a general introductory report of this nature could be followed up with more detailed treatment of particular questions, political and economic, likely to be of interest to Canada in planning for the post-war world.[1]

This should not suggest that Odlum neglected military and politic-

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[1] Canada, Department of External Affairs Archives, Ottawa, File 1843-X-40, Reports re: Post-War Economic Reconstruction in China, Circular despatch from Robertson, May 22, 1943.

al problems. He did suggest a number of military measures both to Ottawa and to the Chinese that he considered useful or potentially useful in the prosecution of the war effort. Although the number of these suggestions was not large (nor were they particularly successful, as will be shown later) they do indicate that the General did not overlook that aspect of his task in China. Nor did he omit recommending changes in the Chinese, or Canadian, or Sino-Canadian political "scene", even when these recommendations dealt with "touchy" areas such as Chinese immigration to Canada and questions of extra-territorial rights in China. As well, Odlum made recommendations on a variety of subjects which fall outside the above categories.

Early in his career in China, General Odlum prepared a "Canadian Program in China" for the Department of External Affairs (see Appendix, II). He divided this program into three sections--War-time, Transition Period, and Post-war--and many of his later despatches referred not only to the recommendations in this document, but also to the division of effort that he envisaged. Although it is tempting to follow Odlum's chronology our purpose will be better served by a topical approach. Thus, the pattern to be followed here is one which begins with a discussion of Odlum's military recommendations, since that was his supposed main qualification for being in China, followed by description of his political and economic recommendations. Finally, those topics which he dealt with that do not "fall" into any of these groups will be mentioned briefly in a section on miscellaneous suggestions.

Military Recommendations

Although General Odlum wrote few despatches devoted to military

problems and their solutions, there were some issues about Canadian participation in China's war effort in which he did become involved. The first of these was the entire question of transportation facilities in China and the part that Canada could play in expanding them. The Minister believed that not only did the Legation/Embassy need its own transportation (specifically, air) facilities to enable it better to carry out his program of making Canada better known to the Chinese[2], but, as well, he thought that there were certain significant roles that Canada could be playing in China's war-time transportation.

The Minister's primary ambition was to see one or more squadrons of the Royal Canadian Air Force (R.C.A.F.) operating in China, not so much as a fighting force, although this would have been a possibility, but rather being used to transport Canadian supplies, munitions, and aid goods into China without being so dependent on the Americans. It was Odlum's opinion that not only would such a service improve Canadian "public relations" in China during the war, but that it would also increase Canadian post-war influence as well.[3] Throughout the war, even in the face of a "flat" rejection of his plan, the General continued to press for this R.C.A.F. involvement in China--he again recommended it in a despatch of October 5, 1943 (with the added proviso that the force should have its own bases in India and China); and in his recollections of a dinner with Odlum, one of the few things that

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[2] V.W. Odlum Personal Papers, Letter to Sherwood Lett, February 5, 1944.

[3] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1943), Letter to the Prime Minister, May 3, 1943.

seem to have "stuck" in Prime Minister Mackenzie King's mind was Odlum's insistence on the need for this squadron of Canadians in China.[4] What is fascinating about these two instances is that both follow, in time, the receipt by the Canadian Legation in Chungking of a letter from the Under-Secretary of State for External Affairs, in which the statement "there is no way that Canada can comply with General Odlum's request for an R.C.A.F. effort in China"[5] appears. The reasons given for rejection were twofold--there simply were no airplanes available, especially transport airplanes, and, the need for supply and organization was too great, given China's deficiencies of supply.

General Odlum not only suggested an active Canadian air role within China, he also recommended a trans-oceanic air link to bring in supplies. Early in the war this was, of course, impossible due simply to the geography of the situation. However, once the Soviet Union had made its stand the possibilities of a Siberian route enthralled the General. In fact, he went so far as to mention the subject to the Soviet Ambassador in China[6] two months before he sent a corresponding despatch suggesting the same ideas to Ottawa.[7] As was the case with

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4 Canada, National Archives, Ottawa, William Lyon Mackenzie King Diaries, Vol. 149, p.913.

5 External Affairs Archives, Odlum Primary Correspondence (1943), Letter from the Under-Secretary of State for External Affairs, July 17, 1943.

6 V.W. Odlum Personal Papers, Letter to the Russian Embassy in Chungking, January 15, 1944.

7 Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, March 18, 1944.

his previous plan, the General persisted with this plan well after it would seem he had been instructed that such was not possible. Although there does not appear to have been a total rejection of the Siberian idea, it was never mentioned by Ottawa in any despatch to Odlum and so one must assume that Canada was not interested in this possibility.

One other transportation role interested the Minister and provoked a recommendation from him. By May, 1945 Canada was in a position to send a shipment of trucks to China as war supplies. Odlum visualized great public relations coming out of this for Canada--but only if the scale of the operation could be expanded. Instead of merely sending trucks, the General advised that what should be sent was the trucks, along with personnel and a complete repair service, that is, a Canadian Transport Division.[8] What came of this suggestion is unknown but it seems highly likely that it did not receive more than a passing glance in Ottawa.

What is interesting about all of these proposals to send Canadians with Canadian equipment to China is that at the same time that he was advocating these plans the Minister was downplaying the possibilities of the Chinese making effective use of war materials alone that were to be supplied by Canada under Mutual Aid provisions. In the case of these recommendations, he was being listened to. As early as August of 1943, Odlum indicated to Ottawa his apprehension[9] at sending arms

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[8] Canada, Department of External Affairs Archives, Ottawa, Odlum Primary Correspondence (1945), Letter to the Prime Minister, May 25, 1945.

[9] Canada, National Archives, Ottawa, Vol. 244, File 2490, China: General, Letter from Odlum to Robertson, August 26, 1943.

without troop support and it had an immediate effect in Ottawa. By mid-September, Norman Robertson, in a letter to the Prime Minister, advised that because of Odlum's misgivings about the Chinese army, the government would have to re-think the question of "how much equipment and munitions should be diverted from other theatres for Chinese assistance".[10] That this was the new Canadian policy is obvious, given the fact that in the same month, on a trip to North America, T.V. Soong expressed concern to the Canadian government about the fact that only twelve and one-half thousand tons of the sixty thousand tons of supplies requested by the Chinese government were actually to be supplied.[11] These munitions did not actually leave Canada until late February, 1944. In fact, Odlum's qualms about Chinese efficiency and use of material seem to have shaped a good deal of Canada's priorities in shipments of munitions, even as late as August, 1944. In that month, H.H. Wrong, in a memo to C.D. Howe, the Minister of Munitions and Supply, recommended that "based on Odlum's communications, material asked for by China should be given lowest priority of all theatres."[12] This evidently was accepted, as shipments of goods of any real significance did not begin to flow from Canada to China until well into 1945. Thus General Odlum seems to have been in a peculiar position--on the one hand, he was recommending Canadians with equip-

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[10] Ibid. Memo from Robertson to the Prime Minister, September 14, 1943.

[11] Ibid. Memo from Robertson to the Prime Minister, September 20, 1943.

[12] Ibid. Memo from Wrong to Howe, August 2, 1944.

ment be sent to China, and was being virtually ignored, while on the other hand, his misgivings about sending Canadian equipment only, were being studied and were having a definite influence on Canadian government policy.

At the same time the General was being directed to pursue a policy which indicated even less faith in the Chinese armies than he had expressed. A Combined Chiefs of Staff directive to the Canadian government made the following recommendations:

(1) As a general over-all policy we recommend that military information given to the Chinese should be limited strictly to that which will assist the Chinese to resist Japan in the immediate prosecution of the war

(2) This applies especially to all information about weapons and equipment

(3) Intelligence information supplied by the United States and Great Britain to the Chinese should be strictly limited to intelligence needed by the Chinese in the prosecution of the war against Japan.[13]

This was accepted as Canadian policy by the government and passed on to Odlum as such in late February, 1944.

The above description of military operations which are really of minor significance should not imply that General Odlum did not envision military strategies that he felt would be invaluable in defeating Japan. In fact, on going to China he had a definite plan in mind. However, on becoming more familiar with the Chinese situation, he quickly rejected this initial plan in favor of another approach which he promoted throughout the remainder of the war years.

His initial plan of attack was premised on the idea that the

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[13] Canada, Department of External Affairs Archives, File 25-J(s), Disclosure of Military Information to the Chinese, Circular Despatch from the Combined Chiefs of Staff, January 11, 1944.

main goal was "to build up the Chinese armies so that they could threaten Japanese raw material supplies and lines; if the basics for such re-building could be supplied from outside, the rest could be produced in China."[14] However, soon after arriving in Chungking, and after his initial shock at the poor condition of China's armies, the General radically altered his plan for the liberation of China. His new proposal centered on the creation of a separate army in the south-east corner of China, composed of British and/or Americans, which would attack Hong Kong and Canton, and, after establishing a beachhead there, would slowly grow as transport became available, and would work its way northward up the coast of China.[15] In a "follow-up" despatch he expanded on certain aspects of his plan. He recommended:

(1) This army would become the eventual spearhead of the real struggle against the Japanese

(2) The only way to defeat Japan is to beat her in China, and threaten Manchuria

(3) This approach would be in keeping with the Chinese attitude, which is that their contribution should be: to neutralize the C.C.P; to proceed north from Wuhan toward Manchuria; and, to cooperate with an Allied army moving up the coast

(4) This army should contain British (but not Indian, who should worry first about Burma), American, and Canadian troops

(5) Over-all leadership should remain in the hands of Chiang Kai-shek

(6) If this Allied army were set up it could not depend on the Chinese for supplies.[16]

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[14] National Archives, Vol. 244, File 2490, Despatch from the Legation in Chungking, August 26, 1943.

[15] Ibid.

[16] Ibid. Despatch from the Legation in Chungking, August 28, 1943. (Italics in original)

Later that same year, Odlum added yet another facet to his southeast China plan. In a letter of November 1, 1943 he noted that if reports of naval progress in the Pacific were correct, then the large convoy that would be needed to supply his proposed Allied landing at Hong Kong "might bring on the major naval action towards which all are looking and which it is believed the Japanese Navy will avoid until Japan itself is seriously threatened."[17]

Canada's Minister to China appears not to have received any "feedback" to his proposed invasion of China, inasmuch as a letter written in April, 1944 once again found him suggesting the Hong Kong-Canton attack to Ottawa. On this occasion he noted that he had discussed his proposal with General Ho Ying-chin, the Chinese Minister for War and Chief of the Chinese General Staff, who heartily endorsed all of the actions that Odlum had recommended.[18] Finally late in 1944, while on leave in Canada, Odlum received an indication of the government's opinion of his proposal, but it is doubtful that he was enthused by what he received. In a letter to the General, Prime Minister Mackenzie King outlined the Canadian policy for Canada's contribution to the Pacific war. It was not to be part of a full-scale invasion as Odlum had recommended but rather, one division of volunteers to assist the American effort in the North and Central Pacific.[19] By May, 1945

[17] Canada, Department of External Affairs Archives, Ottawa, File 4851-40, Canada-China Relations: General, Letter from Odlum to Robertson, November 1, 1943.

[18] External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, April 28, 1944.

[19] V.W. Odlum Personal Papers, Letter from Prime Minister Mackenzie King, October 6, 1944.

this force had been extended slightly to include some naval units and a small air force to aid the army division already scheduled for duty. On this occasion General Odlum did not hesitate to express his opinion of the effort, describing it as "a poor show and anti-climactic after our efforts in Europe."[20]

Nor was the General content simply to accept this government policy for the Pacific area. Instead he modified his own proposal and on May 9, 1945 he recommended it to External Affairs. In this new plan, British Empire forces should attack Hong Kong, Canton and Formosa, while the Americans concentrated their attacks on Japan and northern mainland China (especially Manchuria), and the Chinese drove from the southwest toward Peking.[21]

Once again, nothing seems to have come of this suggestion with the result that on June 6, 1945 Odlum took one more, and what turned out to be his final, opportunity to attempt to influence military planning for the remainder of the war. Again the Hong Kong - Canton attack was suggested, with the addition of a proposal to send Canadian troops to India and Burma to help Mountbatten. In a possible effort to justify his position the General mentioned that British representative Carton de Wiart was sending the same proposal to London.[22] In this case, Odlum finally received a clear answer. On June 19, 1945 Norman Robertson wrote the General and explained quite bluntly that Odlum's

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20 External Affairs Archives, Odlum Primary Correspondence (1945), Letter to Prime Minister Mackenzie King, May 25, 1945.

21 Ibid. Despatch from the Embassy in Chungking, May 9, 1945.

22 Ibid. Despatch from the Embassy in Chungking, June 6, 1945.

ideas had been rejected because of the "already advanced state of planning"[23], and that Canada's role would continue to be one of single division support for the Americans, as a follow-up force in the Central Pacific.

Thus, despite General Odlum's military background, in a purely military sense he had an exceedingly small, if not non-existent, role in the formation of Canada's military policy in the China and Pacific Theatres.

Political Policies

The political aspects of General Odlum's position in Chungking were diverse, ranging from questions of Chinese immigration into Canada to problems of China's territorial ambitions in the post-war world. Correspondingly diverse were his recommendations on these various subjects.

One of these political problems that required discussion, and, if possible, a solution during the General's posting in China, was the question of immigration laws, or as they were known in Canada, the Chinese Exclusion Legislation. These laws were not an exclusively Canadian phenomenon, being patterned on similar legislation in effect in the United States [24], but in light of renewed interest in and support for China produced by World War II, there was a feeling on both sides of the Pacific that such acts needed modification, if not total revision.

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[23] V.W. Odlum Personal Papers, Letter from Robertson, June 19, 1945.

[24] T.A. Bisson, "China's Part in a Coalition War," Far Eastern Survey, 12 (July 14, 1943), 136.

The Canadian government's proposal to alleviate the situation was to implement a draft treaty prepared by H.L. Keenleyside. Based on a reciprocal arrangement, this treaty was to allow certain approved types of immigrants to be admitted to either country on two-year renewable permits. This meant that these people would not have been permanent residents, and also that they would have had to remain in specified occupations, or be sent home immediately.[25] Obviously such an arrangement was not intended to be a sweeping "open door" policy, as Robertson pointed out:

> It is intended that the treaty occupations would be of such a character as to require relatively high standards of education, and some financial backing. This, together with a prohibition on acquiring land for agricultural purposes would prove a barrier to Chinese applicants for permits who would have a depressing effect on the Canadian labour market.[26]

Robertson's viewpoint appears to have been acceptable to the Prime Minister, as the draft proposal for changes in immigration restrictions was approved by Parliament and passed on to Odlum for transmittal to the Chinese government in January, 1944.[27]

However, in the interim the United States government had moved from their exclusion act to a quota system for Chinese immigration, which left Canada as the only "ally" still holding to its exclusion policy, a fact which did not escape the Chinese. Thus, when the time came for consideration of Canada's draft proposal, nothing less

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[25] Canada, National Archives, Ottawa, Vol. 281, File 2909, Chinese Immigration, memo from Robertson to the Prime Minister, October 28, 1943.

[26] Ibid.

[27] Ibid. Record of Parliamentary Proceedings, April 17, 1944.

"liberal" than the United States position could be countenanced by the Chinese, and so the proposal was rejected. China's representatives argued that:

(1) The treaty was discriminatory in that it established a difference in treatment by Canada, of Chinese and other foreigners

(2) The "categories of persons admissable to Canada" to be used by the Canadian government were unacceptable

(3) The treaty would act as a precedent for other countries that wished to prevent Chinese immigration

(4) The Chinese government did not intend to encourage widespread emigration of its subjects.[28]

In reply to these arguments, Robertson pointed out to the Prime Minister that "Canada could not just open its doors to Chinese, and China's failure to accept the treaty would mean the continuation of the Exclusion Act--British Columbia pressure makes this imperative."[29] General Odlum's attitude on all of these maneuverings was that "if a satisfactory treaty on Chinese immigration cannot be secured from the Chinese, the Canadian 'Exclusion Law' should be amended by unilateral action on Canada's part."[30] Despite the fact that his proposal was eventually adopted (May, 1947[31]), the leisurely and time-consuming discussions that took place before Canada's action of 1947, seem to

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28 Ibid. Memo from Robertson to the Prime Minister, June 2, 1944. (Italics in Original)

29 Ibid.

30 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, August 22, 1944.

31 F.H. Soward, Canada in World Affairs, 1944-46 (Toronto: Oxford University Press, 1950), p.323.

verify that the General's assessment of the situation, which was that "the Chinese do not seem to be particularly concerned about the immigration problem with Canada."[32]

Equally as drawn-out were the discussions surrounding Canadian abrogation of her extra-territorial rights in China. The original impetus for such an action came, not surprisingly, from a British and American decision of September, 1943 that they might consider dropping their special rights in China. Canada's position on this decision was that she would be willing to negotiate the end of such provisions for herself rather than having this done as an adjunct to the British agreement.

From the viewpoint of the Department of External Affairs it was crucial that any change in extra-territoriality should not be accompanied by an automatic change in immigration policies, or by a wide-scale commercial agreement.[33] Since these were both items that the Chinese wanted re-opened for discussion this may explain why Sino-Canadian talks "dragged" on for such a long period, with Odlum in the middle relaying new proposals and new rejections almost monthly. His only real recommendation in these negotiations was that Canada take a "hard line" on the question of land ownership, a question which bothered him because "Chinese in Canada can own land and property while Canadians cannot do the same in China."[34]

[32] Canada, Department of External Affairs Archives, Ottawa, File 3630-40C, Extra-Territorial Jurisdiction over British Subjects in China, Letter from Odlum to Keenleyside, June 16, 1943.

[33] Ibid. Memo from Robertson to the Prime Minister, October 21, 1942.

[34] Ibid. Despatch from the Legation in Chungking, August 14, 1943.

Whether or not Odlum's land ownership concerns were ever discussed, by October 1943 the Canadian government was becoming sufficiently irritated with the lack of progress (the British had completed much more complex negotiations in January) that External Affairs was considering a unilateral declaration on the question of extra-territoriality. In response, the Chinese asked if Canada would agree to certain provisions that they felt would be sufficient to "keep both sides happy". In the end, partially on the advice of their Minister in China, the Canadian government agreed to a draft proposal which contained certain "watered down" clauses which the Chinese had requested.[35] With these negotiations finished one would have expected a fairly rapid formalization of the agreement; however as seemed to be the case with most Sino-Canadian matters, the ultimate conclusion was a long time in arriving. The treaty for abrogation was not actually signed until April 14, 1944, and the final exchange of ratifications did not take place for almost an entire year, being completed April 3, 1945.[36]

One of the most vital questions of a political nature confronting any diplomat in war-time China was the question of whether or not to support the existing government (and especially the Generalissimo) or to support the Yenan communists, or to search for some alternative between these two. Of course Canada's representative also faced this decision--and his answer to the question was unbending:

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[35] Ibid. Letter from Robertson to Odlum, November 17, 1943.

[36] National Archives, Vol. 244, File 2490, Memo from Keenleyside to the Prime Minister, March 6, 1945.

> My view has been, and is, that in every way possible, short of dishonesty or trickery, the present government of China should be "built up" as long as it is the Government of China. Certainly it is not our task to tear down. China has had too much "tearing-down", and she is maimed as a result. The essential thing just now is orderly government and avoidance of civil strife; improvement of government can come later.[37]

That Odlum continued to believe in the Central Government and especially Chiang Kai-shek was demonstrated in the previous Chapter, and by the General's own words, written late in the war, when he noted that "Canada can afford to trust the fundamental purposes guiding the Generalissimo."[38] Notwithstanding his low opinion of his fellow diplomats in Chungking[39], Canada's Minister found that he was not alone in his support of President Chiang. Even one of the most vocal critics of the Kuomintang government, Sir Archibald Clark Kerr, had written that support for the Generalissimo was essential to the war effort.

> I have said that the chiefest of our concerns should be to hold his confidence. At the same time, however, we must make him feel that he has ours. We should be at special pains, therefore, constantly to prove to him that in fact we regard him as an ally and an equal in the fullest sense of the word.[40]

As well, once General Hurley had arrived and replaced Ambassador Gauss

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[37] V.W. Odlum Personal Papers, Letter to Theodore H. White, August 19, 1944. (Italics in Original)

[38] External Affairs Archives, Odlum Primary Correspondence (1945). Letter to the Prime Minister, August 7, 1945.

[39] For example, "Diplomats in China appear to be worth about ten cents, Chinese, a dozen" from External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, July 18, 1944.

[40] Canada, Department of External Affairs Archives, Ottawa, File 25-D(s), Appreciation of China Situation, British Secret Despatch from Ambassador in Chungking, June 13, 1942.

as the American representative in China, Odlum knew that he could be assured that the Americans were sending very similar appreciations to their government as he was sending to Ottawa. In a letter to Robertson, the General documented discussions he had had with the Americans.

> Hurley, Donald Nelson, and myself all see the major picture in the same colors. All three believe that the only way peace and strength can be built up in China is by building up the Generalissimo, not by tearing him down. We also agreed that agreement between the KMT and CCP is desirable but not if the Generalissimo is gradually eliminated.[41]

The General even discovered that certain influential writers, unlike the majority of their colleagues, were in agreement with his position on support for the President, a fact which he brought to Ottawa's attention by recommending that External Affairs read copies of the works of these various journalists. In particular Odlum was impressed with the view of Representative Walter H. Judd, writing in Time Magazine. Judd's contention, which Odlum supported, was that in 1944-45 there had been a campaign of propaganda against the Generalissimo and the Chinese government. This propaganda Judd attributed to three main sources:

(1) Old European imperialists, who foresaw the end of the colonial system if China became strong

(2) The communists and their supporters, who he maintained had been Japan's greatest weapon against the Chinese government

(3) People within the United States War and State Departments who differed with Chiang about the best way to defeat Japan.[42]

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[41] External Affairs Archives, Odlum Primary Correspondence (1945), Letter to Robertson, March 12, 1945. (Italics in Original)

[42] Walter H. Judd, "Our Ally China", Time Magazine, June 18, 1945, pp.23.

In all of these points Odlum concurred, and added that these were some of the causes of China's internal disunity which he saw as disastrous for the over-all war effort.

Since the Canadian government continued its support, both in a political sense and in terms of military aid, of the Central Government of China, it is obvious that the General managed, on this occasion at least, to "get his message across" to his superiors. Only from one China expert did Ottawa receive views conflicting with those of its Minister. The Reverend James Endicott continued to attempt to have Ottawa at least consider the possibilities of an alternate government for China. And in doing so, he did not hesitate to call the General's methods of analysis and decision-formation into question.

> Our Ambassador is urging all-out support for this regime. If it is the policy of the Canadian government to support this regime, it ought to be clearly understood just exactly what is the real nature of it. It will not be democratic. It will continue to be corrupt, brutally repressive of all its political opponents. It is basically anti-foreign. In the end it will whip up a tide of nationalist aggressive power which will come into collision with British imperial interests in South Asia. If this is considered the best alternative facing us, then let us go into it with our eyes open, and not judge things by our personal like or dislike of Chiang Kai-shek or Chen Li-fu or Mao Tse-tung.[43]

Even in the face of criticism such as this Odlum maintained his support for Chiang, and the Department of External Affairs and Canadian government continued to choose to "back" their accredited representative against this critic.

As part of his role in China, General Odlum was occasionally called upon to comment on some crucial issues that appeared on the "stage" of Chinese internal politics or foreign relations. In all

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[43] External Affairs Archives, File 25-D(s), Letter from Endicott to Robertson, June 8, 1945.

cases, the General expressed what, to him, were the logical and necessary facts and his opinions derived from those facts. Unfortunately, from Ottawa's point of view, these comments were not as "diplomatic" as they might have been. Perhaps the best example of such an occasion was the recall of American General Stilwell from Chungking in October, 1944. Since the Canadian Ambassador was on leave in Canada, it was only natural that the newspapers should ask for his comments on the recall. Apparently Odlum had had no direction from External Affairs in the matter, so he simply stated his own opinion which was that "the recall will undoubtedly ease the situation in the Far East."[44] This comment disturbed External Affairs, and brought a stiff rebuke to Odlum from Robertson for discussing this "touchy" situation in public. Coincidentally, in the same memo Robertson suggested that Odlum's friendship for the Chinese leaders might result in Canada being called upon to supply goods and services that the United States was refusing to send, "which would put us in a bad spot in Canadian-American relations."[45]

Although allowing himself to be rebuked by Ottawa, General Odlum did not, in fact, feel that it was deserved, nor was he particularly enamoured of its source--again his reluctance at being a diplomat showed through:

> When, while in Canada, I said what I did about Stilwell's recall I was right and honest. But Ottawa did not like it. Sometimes I find it hard to restrain myself when I sit down to think soberly of Ottawa and its ways.[46]

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[44] Canada, National Archives, Ottawa, Vol. 310, File 3291, Odlum, Memo from Rovertson to the Prime Minister, November 2, 1944.

[45] Ibid.

[46] V.W. Odlum, Personal Papers, Letter to M.E. Nicholls, April 27, 1945.

Yet another area of political concern for Odlum was the question of Kuomintang-Chinese Communist Party relations discussed in the previous Chapter. The indecision that the General felt personally toward the Communists was reflected in his discussions of the position that Ottawa should take on the question. Although agreeing with journalist T.A. Bisson that, in fact, two Chinas existed and that the KMT was not exercising the progressive leadership that it should have been,[47] Odlum also felt that the Communists were actually a "red herring" in the total war picture:

> Japan is the real and foreign enemy; the Communist movement merely represents an internal conflict of thought. To fight that China may live is far more important than to let China die at the hands of Japan because Chinese must fight each other as to what economic system is to be adopted. Even friends of the Communists should see this--and so should the Central Government.[48]

In the end the Canadian representative chose to continue with his policy of support for the National Government to which he was accredited, which necessarily meant rejection of the Communist Party and its programs.

General Odlum felt that in keeping with the tasks assigned by Robertson (in his circular despatch, May 22, 1943), one way to measure Canada's possibilities in post-war China was to compare her "position" during the war with those of the two main powers diplomatically linked with China, the United States and Britain. The conclusions which Odlum reached had a definite bearing on Canada's efforts, especially in the

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[47] Bisson, "China's Part in a Coalition War", p.141.

[48] Canada, Department of External Affairs Archives, Ottawa, File 5667-40, China's War Effort, Despatch from the Legation in Chungking, October 19, 1943.

fields of economics and trade. His earliest analysis of the situation (May 31, 1943) was that there already existed stiff competition between Britain and the United States for post-war position and influence in China. In his opinion the British had already lost this race for three notable reasons:

(1) Old, hard, anti-imperialist feelings held by the Chinese

(2) A belief held by many Chinese that for some reason the British did not want to see a new strong China

(3) The Americans were "pushing" their presence in China very strongly.[49]

On the other hand, the Minister could see virtually no role having been established for Canada in post-war China yet. "The Chinese view of Canada is friendly but uneducated to Canada's possibilities; on the other hand, she is very aware of the 'Santa Claus' which is the United States."[50] From this time on the General frequently expressed concern about the degree to which the Americans were extending their influence in China. He not only felt that this was creating problems for any similar Canadian expansion, but he also believed that such predominance by one nation would not be in the best interests of China.

By October, 1943 even the Department of External Affairs in Ottawa had begun to feel the intense pressure that the Americans were putting on in China. In a despatch to Chungking mention was made of "an American desire to have a total monopoly of munitions and supplies for the Chinese war effort."[51] On this occasion the Department's advice

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[49] External Affairs Archives, Odlum Primary Correspondence (1943), Letter to the Prime Minister, May 31, 1943.

[50] Ibid.

[51] Ibid. Despatch from External Affairs to the Legation in Chungking, October 15, 1943.

was that both Ottawa and the Legation staff should do all they could to oppose such action. "China's government has been told so often that its only hope of getting military supplies and equipment lies in the United States that it completely believes this"[52] was Odlum's reply. Not only did he agree that the Americans were pushing, or trying to push, everyone else aside in China, he noted that this policy was even being applied to the Canadian Red Cross and its aid shipments to the Chinese.

The only hopeful aspect to all of this, as far as Odlum was concerned, was United States Ambassador Gauss, who was actively discouraging American sentiment toward pouring huge amounts of money into China, especially when there was no apparent Chinese plan for its use.[53] However, it became blatantly obvious, shortly after, that Gauss had lost most of his credibility in the United States, as American money continued to flow into China despite the Ambassador's advice. By September, 1943 Odlum was forced to admit that in terms of political power and economic might the American had become the main embassy with the main diplomatic effort in China. In comparison Canada was "not badly off, but the embassy is the only activity, no other missions or services are being provided, other than the old privately established Christian missions."[54] Later the same month, General Odlum reiterated his fears to Prime Minister Mackenzie King about the American attempt

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[52] Ibid. Despatch from the Legation in Chungking, October 21, 1943.

[53] External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, February 9, 1944.

[54] Ibid. Despatch from the Embassy in Chungking, September, 5, 1944.

at a monopoly. Mackenzie King noted that Odlum "thinks the Americans are determined to control the situation in China and for that reason will not allow some of our material to get to China. Some is still waiting transfer from India."[55]

As the Minister would have been quick to point out, he was not totally opposed to the American efforts in China. On at least one occasion he applauded their efforts, suggesting that the real value of United States efforts to get China to produce more industrially would be in the "head start" that this would provide the Chinese in their post-war industrialization.[56] However, when these American efforts conflicted with one of his own "pet" projects the General became very hostile. On such occasions he was apt to write to friends, making comments of the following type:

> There is going to be a great deal of activity here. Much money will be made, and much will be lost. That cannot be helped, things being as they are. But I want the money that is to be lost to go to the account of the over-eager Americans; and I want the sound business, or at least part of it, to fall into the hands of canny Canadians.[57]

General Odlum spent most of his war-time tenure in China cautioning Canada's government about the competition for post-war influence from its southern neighbor. It was not until mid-1945 that the General felt sufficiently confident in his efforts in China, to suggest

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[55] National Archives, William Lyon Mackenzie King Diaries, Vol. 149, p.913.

[56] External Affairs Archives, Odlum Primary Correspondence (1945), Letter to the Prime Minister, April 3, 1945.

[57] V.W. Odlum, Personal Papers, Letter to M.E. Nicholls, August 17, 1944.

that Canada's position relative to that of the United States had begun to improve. In part he credited this to an over-all improvement of the British position, but a note of justifiable pride crept into his despatch.

> The position of Great Britain and Canada vis-à-vis the United States is definitely rising. This does not mean that Sino-American relations are deteriorating, but that Sino-British relations are improving. And Canada is slowly but steadily coming more and more into the picture and being recognized as an international entity in its own right.[58]

A crucial aspect of the political reporting by a diplomat assigned to a country undergoing a war, especially a country such as China with a long history of "unequal treaties", is an analysis of what the post-war territorial demands of that nation will be if it is victorious. This task also fell to General Odlum. Although T.A. Bisson, a journalist with whose views Odlum generally agreed, advocated sweeping restorations of territory, and that arrangements resembling Chinese "spheres of influence" be set up in Central and Southeast Asia to reward China for past efforts and keep her firmly behind the allied cause[59], Odlum thought that such expansiveness was neither desired by the Chinese nor would it be beneficial to China.

In his first despatch on the subject, Canada's representative wrote that his analysis of the situation led him to believe that "China has no thought of making aggressive claims after the war is over."[60]

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58 External Affairs Archives, File 4851-40, Despatch from the Embassy in Chungking, August 4, 1945.

59 Bisson, "China's Part in a Coalition War", p.136.

60 Canada, Department of External Affairs Archives, Ottawa, File 11578-C-40, The Chinese Nationalist Government - Foreign Policy, Despatch from the Legation in Chungking, August 9, 1943.

However they did have certain territorial goals that they felt were justified--"The Chinese want only Manchuria, Formosa, and Mongolia - not Korea, Indo-China, and Burma; but they are strongly desirous of having Hong Kong back."[61] This desire to regain the British Crown Colony was indicated in a conversation which the General held with a number of key Chinese Ministers and reported by him in an April, 1944 despatch, in which he stated:

> The Chinese government feels that Hong Kong will revert to China after the war--probably voluntarily; but, if not, China will wage tariff war on Britain so that Hong Kong loses all commercial advantage.[62]

Confirming Odlum's earlier opinion, the same report indicates that, due to her massive internal tasks of the post-war period, China still had no intentions in the Indo-China area. At this time, the General took a very pro-Chinese viewpoint, and suggested to Ottawa that it was unfortunate that Hong Kong had not been given back to China at the time of the British abrogation of extra-territoriality, as this would have greatly reduced war-time animosity and eliminated potential post-war political difficulties.

Another issue in China's post-war external relations on which Canada's Minister put forth a recommendation, was the question of what was to be China's attitude toward Japan. Since the Chinese government had not, by mid-1944, formulated a post-war policy toward the Japanese, Odlum thought he might recommend one. His suggestion was that "at the peace talks and so on, China should take a moderate attitude and let

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61 Ibid. (Italics in Original)

62 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, April 15, 1944.

others be the disciplinarians, a position which would allow China and Japan to resume friendly relations after all was over."[63] After seven years of war and invasion this seemed to be asking a great deal of the Chinese, but when the General's proposal was not immediately rejected by the Chinese government he took encouragement.

An important role for any Canadian diplomat, especially in a country like China which had previously had very little contact with Canada, is to spread knowledge of Canada among his hosts, and to make recommendations to Ottawa on ways to improve Canada's position in the host country. In attempting the first of these tasks the General pursued an active policy of "selling" Canada to those individuals with whom he came into contact. As he said:

> All I want to do is steadily press our case, always in friendly words, but quite persistently and even stubbornly, if necessary. I want to make all here, Chinese in particular, conscious of Canada.[64]

Quite often this policy and its implications for post-war influence brought the Canadian Legation/Embassy into "friendly competition" with its British and American counterparts. Occasionally Odlum found their attitude bothersome:

> The British and Americans have been very friendly to us, as individuals. But neither one can see why Canada has to be represented in China! Each one thinks it could take care of Canadian interests - and spend Canadian funds if they have to be spent - much better than any Canadian could do. Both are patronizing, more or less.[65]

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63 Ibid. Despatch from the Embassy in Chungking, June 15, 1944.

64 V.W. Odlum, Personal Papers, Despatch from the Embassy in Chungking, January 10, 1944.

65 Ibid.

At any rate, despite these early forebodings about the attitude of his fellow diplomats, the General pursued a program of spreading knowledge of Canada (especially in terms of trade and economics), while in his own opinion, raising his personal prestige and standing within the diplomatic corps.[66] Occasionally these advances, both personal and national, caused him a degree of unease and embarrassment, as was the case when the Generalissimo singled Odlum out for special considerations related to interviews and visits with the Chiangs, and visiting privileges at the Generalissimo's summer residence in mid-1945:

> Of course I cannot do any of these things -- Canada is too small a country to have such special consideration shown to it without developing jealousies in other quarters. I have been hoping for guidance from you; but as it has not come, I have made my own decision. I propose to do the safe thing and not to expose either myself or Canada to criticism.[67]

In fact, on at least one occasion the General showed a great deal of concern that his rapid rise may have cost him his credibility in Ottawa. He noted in this despatch that he had been told by two different sources that, in the eyes of the Generalissimo, he ranked at the top among all foreign officials. His fear was that "you will feel that I am too easily swayed or persuaded by the Generalissimo or Chen Li-fu. I deny this totally."[68] However, whether or not he had lost influence with External Affairs, Odlum continued to press Canada's case in China, with, from his own viewpoint, rather marked success, particularly in

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66 External Affairs Archives, File 4851-40, Despatch from the Embassy in Chungking, August 4, 1945.

67 Ibid.

68 National Archives, Vol. 244, File 2490, Despatch from the Embassy in Chungking, August 28, 1944.

the "education" of Chiang Kai-shek to Canada and her possibilities:

> When I first met him, he knew nothing of Canada and asked no questions about it. His mind was then on Europe and Asia. His interest in Canada has been constantly growing since that time. And he is a reflection of the whole community. Canada today is a live subject in China--especially in Chungking.[69]

In terms of improving Canada's efforts in China, most of the Minister's recommendations to Ottawa involved either the expansion of, or changes in, the staffing of the Canadian Legation. His earliest appeal was for an Air Attaché (probably to aid with his plan for an R.C.A.F. operation in China), and, more significantly, for a press representative and especially for an economic advisor.[70] The first of these requests obviously received no consideration since the government had decided not to accept Odlum's R.C.A.F. proposal. About the second, the press representative, the General wrote a further request on July 29, 1943 in which he suggested that the man could act on behalf of "the Department of External Affairs, the C.B.C., the Canadian Press, the Southam Interests, the Toronto Star, and any other paper or papers that care to participate directly."[71] It was the decision of the Department that, based on certain key factors, such as:

(1) The practical impossibility for any individual to serve so many different masters, and

(2) The stringent Chinese censorship and restrictions on travel

they would not accede to the General's request. Instead they would

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[69] External Affairs Archives, File 4851-40, Despatch from the Embassy in Chungking, August 4, 1945.

[70] External Affairs Archives, Odlum Primary Correspondence (1943), Letter to the Prime Minister, May 31, 1943.

[71] Ibid. Despatch from the Legation in Chungking, July 29, 1943.

continue to utilize the existing organizations and channels.[72]

Unlike these first two positions which were dealt with quite quickly, the question of sending a high level economic advisor and/or trade commissioner to Chungking, "dragged on" through the war and into the post-war period. The discussion between Ottawa and the Legation in Chungking was the subject of so many despatches that it would be impossible to summarize all of them here. Instead, a chronological summary of all these communications, prepared by George S. Patterson in November 1945, has been included as Appendix III. Suffice it to say that Odlum felt the need for an economic advisor, concerned with the "peace and trade period", so much that he suggested such a man be sent as a replacement for himself if at all possible:

> I return to my recommendation that a high grade Commercial Attache, or Economic Advisor, be sent out; and I now add that, as soon as possible, a Minister should be selected peculiarly fitted to deal with the peace and trade period which must soon come. If Canada needs any representation in China, it should be basically commercial. Canada has no political problems here; or practically none. But she has, and will continue to have, major trade problems, and they will grow in importance as the years pass.[73]

The General was not hesitant about nominating men for this upper level position in China; on one occasion he named businessman J. S. McLean as a possibility, but his first choice (mentioned on numerous occasions) was west-coast businessman H. R. Macmillan, in whose ability to do the job "to the credit of all Canadians"[74] the General placed a

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72 External Affairs Archives, File 4851-40, Despatch from the Department of External Affairs, November 9, 1943.

73 Canada, Department of External Affairs Archives, Ottawa, File 1461-40C, Despatch from the Legation in Chungking, September 26, 1943. (Italics in Original)

74 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, September 5, 1944.

great deal of faith. What he received instead was a brief (April - July, 1945) fact-finding mission by Captain Frederick H. Palmer (of the staff of the Canadian High Commissioner in Australia), a man whom he had also mentioned as a possibility. Although not as enthused about Palmer as he would have been about others he had suggested, Odlum did welcome the arrival of someone whose field was trade and economics. His attitude cooled when he discovered that Palmer's stay was to be a short one, and when Palmer refused to submit his report to the General before forwarding it to Ottawa. As a result of this latter problem, the General decided that Palmer's report was unfavorable to the policies that he had recommended over the previous two years, and wrote a rather disparaging despatch on Palmer's suitability for the task he had undertaken.

One final staff change that Odlum suggested, came almost at the end of the war.

> With the stress of the war receding and with China shifted over from a dictatorship to the beginning of some sort of constitutional democracy, I feel that my task is almost completed and that I might well be replaced here. However, I must recommend that the next military representative be a young man, who will be an enduring asset to Canada.[75]

If this was a request to be brought home, General Odlum was to be sorely disappointed since his tenure in China did not end when peace was re-established, as he might have wished, but rather went on for more than a year after the Japanese surrender.

Economic Policies and Recommendations

As has been noted, General Odlum divided economic issues into two

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75 External Affairs Archives, Odlum Primary Correspondence (1945), Letter to the Prime Minister, June 25, 1945. (Italics in Original)

areas: problems that might be solved during the war, and recommendations related to post-war trade and economics. Of the two, the latter received the greater attention.

Of all of the economic problems that Odlum identified in war-time China, there were some that he felt were soluble; some could even be solved before the war was over.

As he quickly noticed, China was predominantly an agricultural nation, and in his opinion would "remain basically agricultural even though there may be a rise in industrialization."[76] In his view it was Canada's duty to become involved in bringing Chinese agriculture up to twentieth century levels. However, before this was possible there were certain changes in their agricultural system which had to be made by the Chinese themselves, if Canadian help was to be of any value. At the very least the Chinese should:

(1) Stop using human faeces as fertilizer and, instead destroy it in the interests of public health

(2) Greatly enlarge the area of her farm units

(3) Reduce by at least 50 per cent the number of those working on the farms, divert them to other tasks, and make those who remain work more efficiently for shorter hours

(4) Multiply her rural road system many times

(5) Adopt practical plant selection and breeding methods

(6) Put, in every economic area, one or more experts in soils, fertilizers, cropping methods, and marketing.[77]

In addition, the General recommended, although it would probably not be

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[76] External Affairs Archives, File 1843-X-40, Despatch from the Legation in Chungking, July 30, 1943.

[77] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

possible before the end of the war, that China should "adopt and adapt farming machinery suitable to her peculiar economy, and commence the large scale manufacture and wide distribution of chemical fertilizers."[78] He recognized that such a program would face tremendous difficulties, especially in terms of dislocation. However if it were begun in early 1944 when he recommended it, the plan could be well under way by the end of the war, which he foresaw as early in 1946.

Canada's Minister also felt that just as agricultural problems might be dealt with, at least partially, during the war, so might many of China's massive monetary difficulties. He was particularly critical of the Central Government's handling of the entire question of foreign exchange, and of the Canadian government's response to the Chinese approach. In writing about the increasing financial plight of Canadian church missions in China, Odlum commented that "if Canada is going to allow China to stand at the toll gate and rob on a large scale through foreign exchange 'banditry' even though she does it with a smile, Canada should pay at least part of the loss."[79] The General had two sets of recommendations to make relating to foreign exchange. The first was that it was much more crucial for China to "put her own money system in order and establish workable price controls than it is for her to worry about foreign exchange."[80] "Gifts of money to the Chinese are

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78 Ibid.

79 Canada, Department of External Affairs Archives, Ottawa, File 3295-A-40, Canadian Nationals in China, Despatch from the Embassy in Chungking, April 22, 1944.

80 National Archives, Vol. 244, File 2490, Despatch from the Legation in Chungking, September 30, 1943.

wrong and unnecessary. If China utilized her inside credit on anything like the scale other countries are doing, money would not be short."[81] On the question of what attitude Canada should take, the Minister was ambivalent. Although he favored simply negotiating some foreign exchange controls with the Chinese he did not hold out hope of much success.

Foreign exchange was, though, only one part of a monetary system which the General felt to be on very shaky grounds, but not beyond rescue. Odlum continually suggested to Chungking, and to Ottawa, ways in which some of these "money pressures" might be alleviated. His earliest proposals were limited to three steps which he thought would cause a return of public confidence in the Chinese government and currency, which in turn would increase bond sales, a measure he considered vital. The General's proposals were:

(1) An end to the printing of more issues of Chinese currency

(2) Heavy taxation, particularly on the higher levels

(3) Forced loans from institutions and the more important concentrations of wealth.[82]

Slightly later the same year, Canada's representative expanded these policy proposals to take in three new ideas that he felt were in keeping with the needs of a continually deteriorating economy. Added to his previous recommendations, which he restated (and in which a heavy emphasis was again put on the necessity for taxation), were the

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[81] External Affairs Archives, File 1843-X-40, Despatch from the Legation in Chungking, July 30, 1943.

[82] Canada, Department of External Affairs Archives, Ottawa, File 5741-40C, Economic and Financial Conditions in China, Despatch from the Embassy in Chungking, February 7, 1944.

following provisions:

(1) Creation of a totally new currency, as a signal that the time for Spartan action had come

(2) Rationing

(3) A price ceiling, vigorously maintained.[83]

In his last war-time despatch related to monetary revisions Odlum "backed down" on his suggestion of introducing a new currency, but replaced it with other suggestions that would have encompassed the remainder of his previous proposals, as well as instituting new strong measures designed specifically to reduce or end inflation. He felt that a "turn about" could be accomplished in the economy if the government would only:

(1) Bring in gold for sale to the public to help reduce the amount of outstanding currency

(2) Bring in cloth and drugs for resale on government account at prevailing high prices; the profit to go to the treasury in the form of currency withdrawn from circulation

(3) Begin taxation on a western scale, particularly in the higher brackets, now practically exempt

(4) Use strong methods to teach the people to buy public bonds

(5) Stop issuing new paper currency

(6) Tighten their belts--in other words reduce expenditures so that they will come within the limits of the available expendable funds.[84]

Of course there was nothing that the Canadian government could do to bring Odlum's plans to fruition, and, as usual, the Chinese rejected the last set of proposals as they had rejected the first; and for the same reason, that it was not politically possible to tax the way Odlum advocated because such taxes would "hit" the group which was the main-

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83 Ibid. Despatch from the Embassy in Chungking, May 24, 1944.

84 Ibid. Despatch from the Embassy in Chungking, June 13, 1945.

stay of the Kuomintang and the Central Government. The General was well aware of this and, despite his continued submissions to both the Chinese and Canadian governments, he had by early 1945, effectively given up hope for his economic "turn around"--"Taxation as we know it would not be a 'politically practical' thing in China today, and without taxation, coupled with retrenchment, nothing of great importance can be accomplished."[85]

One final "correctable" area of Chinese economic life lay in the realm of business laws and accepted business practices. The General was quite straightforward in his initial attitude to these affairs in China--"Canadians must not be encouraged to get into partnerships in a country where they cannot expect justice from the courts."[86] In discussions with the Chinese Minister in charge of such matters, Odlum had pointed out the deficiencies of the Chinese situation and had suggested a possible solution:

> I told him that there would be hesitation on the part of outside industrialists about entering into such close business relations with Chinese colleagues unless they felt that Chinese laws and Chinese courts were fair to foreigners and above "influence". I told him that I put the need to establish foreign confidence in the impartiality of Chinese laws, and in the training, ability, and rectitude of China's jurists, as the first prerequisite of any enduring collaboration.[87]

In this case, the General's suggestions to the Chinese seem to have met with some success, or at least the General felt that they had. Although

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85 V. W. Odlum Personal Papers, Letter to M.E. Nicholls, April 4, 1945.

86 External Affairs Archives, File 1843-X-40, Despatch from the Legation in Chungking, August 31, 1943.

87 External Affairs Archives, File 1461-40C, Despatch from the legation in Chungking, August 24, 1943.

it took two years to become apparent, by June, 1945 legal attitudes had improved sufficiently for Odlum to concur with the Chinese Minister of Finance, O. K. Yui, when the latter stated that "although new banking and company laws have not yet reached final form, there is a 'liberalising' trend in thought which should result in laws which will be attractive to foreigners."[88]

Yet another war-time role that Odlum as economic analyst undertook was the documentation of various Canadian aid efforts in China and the recommendation of ways in which these might be made more effective. The job of documentation was a relatively easy one since the only group of Canadians actively engaged in an aid program for China was the Canadian Red Cross, which was being very generous in its aid, having presented Madame Chiang Kai-shek with cheques totalling 110,000 dollars on one of her visits to Canada. From Odlum's viewpoint, it was this "cash" aspect of the Red Cross program that was unacceptable. The General was of the opinion that any large money gifts to China were incorrect because they allowed for the "playing of politics" among Chinese who had access to the money. In the first month of his tenure in Chungking, Odlum discovered this "politicking" with aid monies and strongly recommended that "we could improve our prestige if the Canadian Red Cross was to send more goods and less money."[89] Although one year later the amount of goods being sent from Canada had increased

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88 Canada, Department of External Affairs Archives, Ottawa, File 9030-40C, Commercial Relations Between Canada and China, Despatch from the Embassy in Chungking, June 9, 1945.

89 External Affairs Archives, Odlum Primary Correspondence (1943), Letter to the Prime Minister, May 31, 1943.

significantly (to judge from a despatch of March 21, 1944 in which Odlum mentioned that some goods and equipment were reaching C.C.P. areas[90]) the amount compared to the number of dollars in cash was still not sufficient to suit the Minister. In September of the same year he wrote a final despatch mentioning the Red Cross problem, in the context of Canada's efforts to develop her "position and prestige" in China, in which he noted that "the gifts of money being sent by the Red Cross are not worth anything at all in terms of building Canada's position and prestige in China."[91]

If the General was averse to money donations to China by the Red Cross, he was even more opposed to a request made by the Chinese government late in the war. This request was for a "bulk loan" of fifty million dollars by the Canadian government, with "no strings attached."[92] At first the Department of Finance was quite hesitant on the grounds that transportation of goods purchased, both to and within China, was so unreliable, as were China's prospects of repaying even the interest on the loan. However, by March, 1945 the Department of Trade and Commerce had studied the request and was recommending that Canada accede to it.

> After reviewing all of the commercial information presently available respecting the trade prospects of China, it is thought that, from the commercial viewpoint alone, favourable consideration could be given to a loan of any reasonable amount.[93]

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90 External Affairs Archives, Odlum Primary Correspondence (1944), Despatch from the Embassy in Chungking, September 5, 1944.

91 Ibid. Despatch from the Embassy in Chungking, March 21, 1944.

92 Canada, Department of External Affairs Archives, Ottawa, File 6993-C-40C, Export Credit Arrangements for Purchases of Supplies by China From Canada, Letter from H.H. Kung to the Department of Finance, October 30, 1944.

93 External Affairs Archives, File 9030-40C, "Report on Trade Between Canada and China", March 14, 1945.

General Odlum was so opposed to such a loan that on three separate occasions between receipt of this recommendation in April, 1945 and the end of the war in August, 1945 he wrote to Ottawa recommending that the bulk loan not be extended and giving his reasons:

> (1) I still remain, in principle, opposed to any bulk loan; I think it is safer, in the interests of continued harmony to have each project subjected to careful individual examination by qualified Canadians.[94]
>
> (2) Privately, I fear manipulation and politics may be behind any bulk loan, and may eventually encumber relations between the two countries.[95]
>
> (3) The Chinese are very prone to seek for bulk loans; these give them an opportunity to play friendships and business politics within China. From this field we should remain as far away as possible.[96]

If not wildly enthused about existing and suggested government-sponsored aid programs, the General did have some programs of his own in mind that he was certain would be much more beneficial, both for China and for Canada's prestige, than anything already active, or proposed.

His earliest recommendation (August 31, 1943) was a multi-faceted approach which would have provided for two levels of assistance, in almost all of the areas in which China needed aid.

> Training Chinese students in Canadian technical institutes, on the farms, and in industries should be the first step; of less direct promise, but still probably productive of excellent ultimate results, would be the loan of Canadian experts to China's educational institutions for limited periods. As well Canada might well consider gifts of pure-bred cattle, and nursery and seed farms.[97]

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94 External Affairs Archives, File 6993-C-40C, Despatch from the Embassy in Chungking, June 28, 1945.

95 Ibid. Despatch from the Embassy in Chungking, July 3, 1945.

96 Ibid. Despatch from the Embassy in Chungking, July 12, 1945.

97 External Affairs Archives, File 1843-X-40, Despatch from the Legation in Chungking, August 31, 1943.

All of these suggestions were premised on Odlum's belief, expressed in the same despatch, that China's greatest need was "for technical guidance, which she presently cannot supply herself."

In fact, Canada's Minister had, by the time of writing this proposal, already suggested to China's leaders a scheme for sending Chinese students to Canada to study railroad operations, and other types of engineering projects[98]; and his suggestion had been agreed to by China, despite the fact that she would be required to pay for this three-year training program. On this occasion the Canadian Government was pleased to agree with Odlum's recommendation and, in a letter from Robertson (September 7, 1943), stated that it would "facilitate the training of Chinese students in Canada, for jobs related to railroads, agriculture, and engineering."[99] However, at this point the entire plan faltered--apparently a number of such plans had been proposed by various countries, with the result that the Generalissimo had appointed a committee to look into and evaluate all of them. By late November, discussion of these various projects was still going on with no action having been taken, and the General doubted that anything would come of his proposal.[100] This, in fact, appears to have been a correct appraisal of the situation as it was never mentioned again in despatches.[101]

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98 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, August 13, 1943.

99 Ibid. Letter from Robertson, September 7, 1943.

100 Ibid. Despatch from the Legation in Chungking, November 30, 1943.

101 There may have been a hinted referral to the plan in Odlum's comment that "there is now a definite need for outside technical assistance for the Chinese because of their lack of managerial, organizational, and statistical capacity." from External Affairs Archives, File 11578-C-40, Despatch from the Embassy in Chungking, June 20, 1945. (Italics in Original)

Thus, although opposed to the regular aid programs that had been adopted by the Red Cross, or were being proposed for the Canadian government, General Odlum was only partially successful in having these revised to meet with his own views. On the other hand, in terms of gaining acceptance for his own proposed war-time aid programs the General was totally foiled, this time by the Chinese government rather than his own.

If one of General Odlum's prime politically-oriented tasks was to "make Canada known" in China, an equally important war-time economic task was to attempt to lay the groundwork for Canada's post-war economic involvement in China. To do this he felt it was necessary that the first arrangements to be entered into for post-war trade must be "between the highest ranking business leaders or business organizations of the two countries."[102] In fact the Minister felt so strongly about this that he recommended that instead of leaving this task to Trade and Commerce the Department of External Affairs:

> should take some active interest in 'steering' the inception of negotiations so that the initial major business contacts between the two countries will be carried out by experienced, stable and dependable people and corporations.[103]

However, there was one crucial issue which threatened to block the Minister's ambitions for Canada in China. In November, 1942 the Chinese government asked for clarification as to why, despite the fact that Canada and China were allies in the war effort, Canada had not extended "most-favoured nation status" to Chinese goods. This Canadian policy

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[102] External Affairs Archives, File 1461-40C, Despatch from the Embassy in Chungking, April 5, 1944.

[103] Ibid. Despatch from the Legation in Chungking, November 6, 1943.

of non-extension meant that China still had to pay the high pre-war tariffs.[104] If a reply was given to this question, a copy was not kept; however in a memo to the Prime Minister, Robertson was quite adamant that this situation should remain as it was, although again, no reason was given. At any rate, Robertson appears to have been successful, since March, 1945 still saw no change in China's tariff status vis-a-vis Canada, which, the Department of Trade and Commerce noted, "places further obstacles in the way of trade and improved relations between the two countries."[105]

Notwithstanding this tariff problem, Odlum continued to believe that there were steps that could be taken during the war to improve Canada's post-war economic potential in China, but those steps had to be taken and taken quickly.

> Canada must decide either to participate with Britain and the United States in developing China's new industrial power, thereby sharing in expected economic activity and trade, or sit on the sidelines waiting and watching. If the former is to be our goal, positive policies should be taking shape now.[106]

This need for immediate action did not mean that the General wanted a policy similar to that of the Americans, that is, "extravagant and wasteful"; instead Odlum made two suggestions as to the manner in which Canada should proceed. First, he felt that what was needed were some

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104 Canada, Department of External Affairs Archives, Ottawa, File 9030-A-40, Commercial Agreement Between Canada and China, Letter from Chinese Minister Liu to Robertson, November 5, 1942.

105 External Affairs Archives, File 9030-40C, "Report on Trade Between Canada and China", March 14, 1945.

106 External Affairs Archives, Odlum Primary Correspondence (1943), Despatch from the Legation in Chungking, September 8, 1943. (Italics in Original)

"keen, able men with imagination who should be studying China's needs, and in particular, the safe financial way of meeting those needs."[107] As well, "Chambers of Commerce and Boards of Trade throughout Canada should be asked to study, each for itself, a 'China Program' in terms of what its community might trade back and forth with China."[108]

In advocating such war-time efforts the General advanced two theories as to why Canada might expect a proportionate share of China's post-war business. His first argument was that China did not have the fear of Canada that she had of Britain and the United States. Secondly, Odlum knew that various Chinese missions would be going to North America during the remainder of the war years, and he thought that if these people could be shown Canada's true strength they would begin to take Canadian economic proposals more seriously.[109] Thus, from Odlum's viewpoint there were potential opportunities for Canadian business in China in the post-war world. He undertook to follow his own advice and attempted to evaluate those trade possibilities involving Canadian industry that he encountered in China. Additionally, where he felt it necessary, he sent External Affairs appraisals of Chinese plans for post-war industrialization, and their merits and drawbacks.

Perhaps the best word to characterize General Odlum's attitude toward China's planning for the post-war period, and the degree to

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107 External Affairs Archives, File 1461-40C, Despatch from the Legation in Chungking, November 30, 1943. (Italics in Original)

108 Ibid.

109 Ibid. Despatch from the Legation in Chungking, August 24, 1943.

which Canada should become involved with it is "cautious".

> A lot of business will be done, some of it sound, and some ill-conceived. There are many pitfalls for the inexperienced. Those most likely to meet disaster will be those who rush in. The successful ones will be those who take their time and investigate carefully. In the United States it is evident that speed and enthusiasm are likely to rule. Canada should adopt the opposite tactics, and possibly as a result, she may be the more successful in the long run.[110]

What particularly bothered the Minister was his inability to obtain any definite information from the Chinese government concerning China's broad post-war plans. All he had heard were rumors and conversations dealing with what he referred to as "grandiose schemes". As a result of this talk, Odlum's caution led him to advise Ottawa in two ways--first, with a general warning that "the Chinese are not very practical in their post-war planning."[111] This he followed with a definite step-by-step plan through which the Canadian government might proceed with its post-war business with China. Included in the plan were the following recommendations:

(1) The bulk of transactions should be in deals that should be lumped to be made more effective and to attain security

(2) Canada's aim might be to make deals whose total would be in the range of 300-500 million dollars

(3) There would be no such thing as transfer of funds, only the shipment of capital goods

(4) The Chinese government could take from firms receiving machinery and equipment whatever form of security it might elect, and in turn could become obligated to the Government of Canada on a fixed basis for the sum involved

(5) The Government of Canada, operating through a corporation,

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110 External Affairs Archives, File 5741-40C, Despatch from the Legation in Chungking, October 1, 1943.

111 External Affairs Archives, File 1843-X-40, Despatch from the Embassy in Chungking, July 24, 1944.

(5) could accept security from the Government of China in bulk, and distribute it retail to Canadian firms supplying machinery, equipment, and services.[112]

Writing to a friend, J.P. Mackenzie, in mid-1941 in reference to press reports of a post-war economic "boom" in China, Odlum's hesitancy was still obvious--"China is going to make progress without doubt, but it is going to be slow progress - slow and confused. It will be a long time before there are any safe bets in this country."[113]

In fact right up to the conclusion of the war, he was still not sure in what ways Canadian business should become involved in China. He based this new caution on a certain degree of "expansiveness of the moment on the part of some Chinese companies, in the extent and dollar value of their proposals."[114] As a result, the Minister recommended that Ottawa had to decide whether or not:

(1) Canadian business as a whole should attempt to enter the Chinese field

(2) The Canadian government should extend its credit facilities to cover large scale sales to China.[115]

The General was equally cautious about the post-war handicaps that China had to face, and these were numerous. He felt that her initial handicap would be threefold:

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112 External Affairs Archives, File 1461-40C, Despatch from the Legation in Chungking, September 26, 1943. (Italics in Original)

113 V.W. Odlum Personal Papers, Letter to J.P. Mackenzie, June 3, 1944.

114 Canada, Department of External Affairs Archives, Ottawa, File 9030-C-40C, Pulp and Paper Sales to China, Despatch from the Embassy in Chungking, July 3, 1945.

115 External Affairs Archives, File 6993-C-40C, Memo from Trade and Commerce to Robertson, August 27, 1945.

(1) The limitations of transport facilities

(2) The lack of experienced executives and technicians

(3) The lack of electric power.[116]

Additionally he felt that a longer-range problem would be a lack of petroleum, despite the much-rumored potential of the Kansu and Szechwan fields--which, on talking with a petroleum geologist (Mr. Edward M. Bettz), he had discovered were not the panacea that the Chinese claimed them to be.

One rather "peculiar" problem that Canada's representative foresaw for post-war China was a problem of over-population. He rejected emigration as impossible due to the numbers involved, reluctance by the Chinese to move, and reluctance of other countries to accept them; so that if China was to have more food for distribution, "adopting birth control would merely be approaching China's great task the easy instead of the hard way."[117] Unfortunately, he found no sympathy in China for his proposal of post-war birth control programs, and, although Odlum never abandoned his views on it, (He mentioned it again in a despatch of October 2, 1945), all discussions of the problem, both with Canadian and Chinese officials, simply ceased.

Although never "downplaying" the importance of these various difficulties, Odlum viewed the most significant stumbling block that the Chinese would face in their plans for post-war trade and industrialization to be the question of how they would pay for all of the things

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116 External Affairs Archives, File 1461-40C, Letter to Robertson, August 24, 1943.

117 External Affairs Archives, File 5741-40C, Despatch from the Embassy in Chungking, December 30, 1943.

that they would require; in other words, what would they export?

> The real problem of China today appears to be, not how to get foreign investments in the form of capital goods, but what exports are to be used for payment. I am still searching for specific information about the exports that China can hope to provide in the first post-war ten year period.[118]

Writing of this difficulty in a despatch to External Affairs, General Odlum gave a brief analysis of China's pre-war debt payments, discovering that these were repaid in three approximately equal ways:

(1) Goods exported

(2) Remittances sent home from Chinese living abroad

(3) Gifts from abroad, in the form of payments to missionaries, endowments for educational institutions, donations to hospitals, and sums spent by foreign government agencies and travellers.[119]

In other words, the much-heralded exports from China had "carried" only one-third of the debt load, a fact which Odlum hardly found comforting. Equally disquieting was his discovery that, rather than the numbers and types of Chinese exports growing, as was commonly believed, instead they were actually shrinking due to changes in world "taste", and competition from other countries (for example, American development of soya bean and tung oil industries). Can one blame Odlum for being rather brusque with Reverend Bruce Copland, who had written to suggest that huge amounts of post-war trade would take place between Canada and China? "China <u>has not</u>, and <u>will not</u> have goods to export on any very large scale; and her imports will be limited by her exports plus the credits she can get."[120]

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118 External Affairs Archives, File 5741-40C, Despatch from the Embassy in Chungking, December 30, 1943.

119 External Affairs Archives, File 5741-40C, Despatch from the Legation in Chungking, October 1, 1943.

120 External Affairs Archives, Odlum Primary Correspondence (1944), Letter to Reverend Bruce Copland, February 29, 1944. (Italics in Original)

Even in the face of all of these handicaps, Canada, Odlum believed, could actually develop a post-war trade that could be profitable for both countries, while operating within the bounds required by these handicaps.

One of the earliest forms of post-war business that Odlum predicted for Canada was the giving of credits or guarantees for the purchase of specified items in Canada. He particularly favored this approach since it allowed Canada to regulate China's purchases, promoting goods useful for peace-time activities while restricting sales of military goods. He also supported the basic premise of Chinese post-war industrialization which was that "Canadians supply those things that China may lack and the Chinese supply internal working capital, the bulk of raw materials, and the management"[121]; however, he still had doubts about the source of this management, and felt that Canada might well supply some people to aid the Chinese with it.

On the prospects of sales of "things" to China, though, the General had few reservations about Canada's ability to provide - China needed so much and he felt that Canada had most of the goods that the Chinese would be seeking. In particular he suggested that Canada provide "cement, pulp and paper, timber products, chemical fertilizers, machine tools, motor vehicles and spun and woven woollen goods."[122] Notwithstanding the potential importance of these goods in Canada's post-war trade with China, there were two other commodities that the General felt would have almost a guaranteed place in China's trade needs.

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121 External Affairs Archives, File 1461-40C, Letter to Robertson, August 24, 1943.

122 Ibid. Despatch from the Legation in Chungking, September 26, 1943.

The first of these was wheat. Odlum admitted that Canadian pre-war sales of wheat to China had not been particularly good or handled particularly well, and that was why Canada had lost out to Australia in wheat deals with China. However, there were, in his opinion, three steps that Canada could take to return to the "top" in wheat sales to the Chinese:

(1) Provide a relief supply of wheat to China, as soon as possible, either as a gift or at minimal charge

(2) Ship lower grade wheat to China, as this was much more popular than better Canadian grades

(3) Build grain elevators in the northern Chinese ports, to store Canadian wheat--to take advantage of seasonal demands, and to reduce difficulties of finding transport.[123]

These steps, he was sure, would give Canada a definite "in" to the Chinese market.

If the General was optimistic about Canadian wheat sales, he was highly enthusiastic about a proposal to sell Canadian railway equipment to China. An initial request (July, 1942) by the Chinese government to purchase rails and rolling stock had been unsuccessful due to Canadian National Railways' belief that they had no equipment for release, and were, themselves, actually short of such goods. However by November, 1943 the General had a plan for post-war changes that would allow for such sales.

> I can see a good deal in the suggestion that Canadian railroads might make a big step forward by standardizing their lines and equipment on a thoroughly modern scale, and selling their lighter equipment of older pattern, through the Canadian government, to the Chinese Ministry of Communications.[124]

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[123] Canada, Department of External Affairs Archives, Ottawa, File 9030-E-40, Sale of Wheat and Flour to China, Despatch from the Embassy in Chungking, August 22, 1944.

[124] External Affairs Archives, File 4851-40, Letter to Robertson, November 1, 1943.

As if to reiterate this business opportunity, both Odlum and Economic Counsellor Palmer wrote despatches, dated July 23, 1945, in which they once more put forward China's desires to buy railway equipment from Canada. Palmer noted that "I feel that the Chinese will be able to take and pay for all that is available, and I strongly recommend such sales."[125] Odlum concurred with Palmer in the volume of goods that could be sold, despite the fact that "The Americans are very active and undoubtedly will supply most of the equipment the Chinese railways require."[126] Thus, both men felt they had brought an opportunity of great potential to the attention of the Canadian government, which apparently chose not to pursue these prospects.

Another area of the General's post-war economic planning for Sino-Canadian relations involved submitting to Ottawa the names of what he considered to be suitable Chinese companies that wanted to do business with Canada in the period after World War II. The extent to which Odlum went in his attempts to determine whether or not a company proposing trade was suitable or not might be demonstrated by his treatment of Sun Way and Company, a Chinese import-export firm primarily interested in pulp, paper, and timber trade with post-war Canada. Not only did the the General demand to know what specific products the Chinese company would want to buy and the approximate value of this trade, he also asked for a complete resumé of the company's history and past business dealings.

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125 Canada, Department of External Affairs Archives, Ottawa, File 9030-D-40, Railway Equipment to China, Despatch from Palmer at Embassy in Chungking, July 23, 1945. (Italics in Original)

126 Ibid. Despatch from Embassy in Chungking, July 23, 1945.

Finally he asked to be given the names of the banks with which Sun Way and Company did business in Shanghai (the original base of operations of the company) and in Chungking, and the name of the international bank through which it carried on its overseas dealings. He then contacted each of these financial institutions to ask its opinion of the "responsibility" of Sun Way and Company.[127] On this occasion the General's impression was favorable--"All information I have been able to gather suggests that Sun Way and Company, is a responsible and experienced firm. I think that interested and responsible Canadian firms might well communicate with Sun Way and Company."[128]

If Canada's representative went to these "lengths" with all of the companies that expressed an interest in dealing with Canada it is not surprising that the total number of such suitable concerns forwarded by the General was quite small. ("I would rather see no business between Canada and China than bad business."[129]). However, there were some interests that he was sufficiently confident of that he felt they could be "passed on". Making up this group were the following companies:

(1) The China Merchants Steam Navigation Company which was a government owned shipping and passenger steamship company; expected to purchase "ship outfitting gear" as well as Canadian-built vessels.[130]

(2) The Chung Yuan Paper Company which was in the market for the equipment to build two plants to produce

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127 External Affairs Archives, File 1461-40C, Despatch from the Embassy in Chungking, March 20, 1944.

128 Ibid.

129 Ibid.

130 External Affairs Archives, File 6993-C-40C, Despatch from the Embassy in Chungking, June 21, 1945.

(2) paper, and for paper itself; the estimated value of this trade was four million dollars (Canadian).[131]

(3) The San Peh Steam Navigation Company (parent corporation of Sun Way and Company) which was in search of the same things as The China Merchants Steam Navigation Company; an estimated purchase of eleven million dollars (Canadian) worth of goods was anticipated.[132]

(4) The Szechwan Sericulture Company, Limited which aimed at selling one million pounds of silk filatures in Canada, for an estimated trade of one million dollars (Canadian).[133]

(5) The Chung Hwa Book Company which was interested in purchasing four million dollars (Canadian) worth of machinery, paper, and inks.[134]

No matter how promising the contacts with these various firms were for General Odlum, there was one company in which he placed most of his hopes for excellent post-war Sino-Canadian economic relations, the Ming Sung Industrial Company, Limited. "The Ming Sung Company is the most extensive industrial operation in Free China and will undoubtedly form the basis of one of the most important post-war industries."[135] To illustrate the extent to which the Ming Sung operation would expand and require trade arrangements with other nations, the Minister included the company's estimate of its post-war activities. It planned to:

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131 External Affairs Archives, File 9030-C-40C, Despatch from the Embassy in Chungking, July 11, 1945.

132 External Affairs Archives, File 6993-C-40C, Despatch from the Embassy in Chungking, July 13, 1945.

133 Ibid. Despatch from the Embassy in Chungking, July 24, 1945.

134 Ibid.

135 External Affairs Archives, File 1461-40C, Despatch from the Legation in Chungking, September 26, 1943.

(1) Move back to the coast, probably to Shanghai

(2) Continue its present mining, manufacturing, shipbuilding and repairing operations where they are in Chungking

(3) Resume coastal shipping, acquiring vessels at first and building them later

(4) Establish a large coastal shipbuilding, repair and dockyard plant

(5) Be interested in anything that will promote coastal and river steamer traffic.

In the face of this extensive program, the General identified a number of areas in which Canadian firms could become involved with the Ming Sung Company, and which would help, in his view, to build up a long-term, mutually-profitable business. These areas of potential Canadian involvement were:

(1) The provision of new equipment and technical guidance that would be required by the company

(2) Coordinating and connecting the Ming Sung transportation facilities with a trans-Pacific ocean carrier (such as the Canadian Pacific Railway Pacific fleet) to extend both systems

(3) The sale of chemical fertilizers to Ming Sung, which could, with its fleet of river steamers, not only distribute this fertilizer but could also undertake to market it

(4) The Ming Sung Company might be induced to take an interest in the establishment of a Canadian Pure Bred Stock Centre aimed at improving agricultural methods, and generating trade based on this improvement

(5) The Company could serve as an above-average outlet for purchases, and possibly some re-sales, of Canadian timber

(6) Canadian companies selling to Ming Sung (or private Canadian investors) might take an interest in that Company either directly in the form of stocks, or, as an alternative, in securities convertible into stock, at its election, within a given period.[136]

Despite the Minister's obvious enthusiasm for the reaching of

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136 Ibid. Despatch from the Legation in Chungking, November 6, 1943. (Italics in Original)

agreements between Ming Sung Company and interested Canadian firms, it was not until February, 1945, that the Chinese company submitted its first formal request for a contract with a Canadian firm to build river steamers for use in China,[137] which it followed up with a tour by its president of appropriate Canadian plants, and the signing of a formal agreement in April.[138] By June 21, 1945 the contract had been approved by both the Chinese and Canadian governments, and General Odlum was feeling quite pleased about the way in which the entire transaction had taken place:

> I am hoping that the Ming Sung contract may become a pilot deal which will set the pattern for other transactions to follow, and that I will be able to use it as an example from which to work out a plan for more decisive actions such as this.[139]

One of these "decisive actions" of which the General spoke was undoubtedly a plan for Canadian participation in a series of hydro-electric projects for Szechwan province. To say that Odlum was enthused about this opportunity would be an understatement. "This, I think is the soundest opportunity I have brought to your attention."[140] The Minister saw Canada's role in these projects as: the provision of Canadian engineers to assist with the task; sale of huge amounts of technical equipment; and, provision of financial assistance. All of

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137 External Affairs Archives, File 6993-C-40C, Memo from Trade and Commerce to External Affairs, February 8, 1945.

138 External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, April 10, 1945.

139 External Affairs Archives, File 6993-C-40C, Despatch from the Embassy in Chungking, June 21, 1945. (Italics in Original)

140 Canada, Department of External Affairs Archives, Ottawa, File 9030-F-40, Electric Power Development in China - Participation by Canada, Despatch from the Embassy in Chungking, September 9, 1944.

these he felt could be provided by the Canadian government and/or private Canadian electrical companies, because the project was to be backed and guaranteed by both the Szechwan provincial government and the National Government of China.[141]

In fact, the General's enthusiasm was so great that it led him to contact Canadian Westinghouse Limited directly about undertaking the project, to which the firm agreed if export credit guarantees could be arranged through the Canadian government. So, with this gentleman's agreement "in his pocket", Odlum approached the Department of Trade and Commerce with the entire proposal in March, 1945[142], and was greeted with a rather optimistic response. Canada's representative had even taken care to see that financial considerations had been established.

> The basis of the plan would be Chinese ownership (sixty per cent Central Government; forty per cent Szechwan Government) with all monies to be guaranteed to the Canadian government by the Central Government and then guaranteed to the companies by the Canadian government.[143]

However, just when Odlum's "pet project" seemed to be making reasonable progress, confusion set in, in the form of a request by a Chinese official for Canada to focus its attention on projects in Yunnan and Kwangsi, leaving the Szechwan "field" open to the Americans, who wanted to control all Szechwan projects in coordination with an enormous project that they intended to undertake at Ichang. Both the Canadian government and General Odlum rejected this request totally[144], but the

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141 Ibid.

142 Ibid. Despatch to Trade and Commerce from the Embassy in Chungking, March 21, 1945.

143 Ibid. Despatch from the Embassy in Chungking, April 25, 1945.

144 Ibid. Despatch from the Embassy in Chungking, June 28, 1945.

possibility of such an infringement led the Minister to recommend two steps that Canada should take immediately if she was to guarantee her position in Szechwan:

(1) A preliminary agreement with the Chinese to provide for covering initial expenses

(2) An investigation and report by Canadian hydro-electric engineers.[145]

Unfortunately, from Odlum's standpoint, these steps were not taken quickly enough, and late July saw further complications introduced into his plan. Canada was informed by the Chinese National Reconstruction Commission that United States interests were going to undertake the projects in the areas that Odlum thought Canada could handle.[146] On checking into this in Chungking, the Minister was informed that this was not, in fact, the policy of the Chinese government but rather an attempt by T.V. Soong to get one specific financial group into the area.[147] No matter why this confusion took place, it did occur and by the end of 1945 no way had been found to settle the issue, with the result that the General's project not only did not come to fruition--it did not even come to initiation.

Miscellaneous Recommendations and Responsibilities

Outside of these preceding areas of concern, Canada's representative in Chungking had to deal with a number of miscellaneous, "one-time-only" questions and problems, and to make policy decisions concern-

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145 Ibid. Despatch from the Embassy in Chungking, July 14, 1945.

146 Ibid. Letter from the Chinese National Reconstruction Commission to Trade and Commerce, July 25, 1945.

147 Ibid. Despatch from the Embassy in Chungking, August 2, 1945.

ing each one. The number of these that were referred to in despatches is not large, nor did any of the despatches contain more than a passing reference to these various items.

Probably the "miscellaneous" item that was given the greatest amount of despatch space was the preparations for the visit of Madame Chiang Kai-shek to Canada, in October, 1944. In this regard the General had two recommendations to make. First, he felt that what Madame Chiang needed was a period of rest, preferably at Banff.[148] Second, he thought that it might be useful for him to be in Canada at the time of her visit to assist with anything that might need doing--a suggestion with which External Affairs agreed, leading to his "leave" in Canada in late 1944 and early 1945.[149]

In June, 1943 the General signed an agreement, which he had forwarded to Ottawa and which received approval there, for the Canadian Broadcasting Corporation to carry certain Chinese programs which originated with station XGOY in Chungking.[150]

As an attempt to keep both the diplomatic staff and the rest of the Canadians in China aware of what was happening in Canada, a press cable service to Chungking from External Affairs was instituted in October 1943. Odlum's advice was that to keep down already high costs for the service, military information might be left out since this was already

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148 National Archives, William Lyon Mackenzie King Diaries, Vol. 149, p.912.

149 Canada, National Archives, Ottawa, Vol. 243, File 2486, Madame Chiang Kai-shek, Memo from Robertson to the Prime Minister, August 23, 1944.

150 External Affairs Archives, File 4851-40, Despatch from the Legation in Chungking, June 23, 1943.

being received through news bulletins and newspapers.[151]

To assist the Chinese General Staff and government leaders in their attempt to reorganize the Ministry of War, General Odlum requested that Ottawa send a summary of the equivalent Canadian institution so that the Chinese could compare it with the British and American "models" that they had already requested and received.[152]

Dr. William P. Fenn, President of the University of Nanking (at Chengtu during the war) requested that the General ask for a copy of the Ontario University Act to be sent to him so that Dr. Fenn could use it, in consultation with Chinese officials, to prepare a program for university education in post-war China.[153]

Although none of these items were as vital as those dealt with under previous headings, they do indicate the variety of topics with which the General had to deal, and, in all cases, required that he make some sort of recommendation to Ottawa.

If one judges the success or failure of a diplomat by the extent to which his government follows the recommendations that he sends them, then General Odlum's career in China cannot be said to have been very successful. It is rather surprising to note that of the three areas with which he was most concerned (military, political, and economic),

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151 Canada, Department of External Affairs Archives, Ottawa, File 1855-A-40C, Weekly Press Circular Telegrams to Chungking, Despatch from the Legation in Chungking, October 18, 1943.

152 External Affairs Archives, File 1843-X-40, Despatch from the Embassy in Chungking, February 21, 1945.

153 Canada, Department of External Affairs Archives, Ottawa, File 4558-X-40, Personal Messages To and From Canadian Ambassador and Staff at Chungking, Despatch from the Embassy in Chungking, July, 1945.

the two in which he was normally most interested and involved, military and economic, were the area in which he fared least well. In the realm of politics his policy proposals were perhaps given their best "hearing" and were found to be more acceptable to the Canadian government than many others that he forwarded. Of course it is essential to remember that in many cases Odlum's policy proposals for Canadian participation in China were foiled by the Chinese themselves and therefore it would hardly be fair to blame their failure on the General. What is interesting is the number and variety of recommendations that he sent to Ottawa or passed on to his Chinese hosts in Chungking, and despite their various successes and failures one must credit Odlum with having achieved his major goal--to make Canada better known to the Chinese and all others in China during World War II.

CHAPTER V

AN EVALUATION

The preceding chapters having been used to describe and analyze General Odlum's tenure in China during World War II, and also to document both the successes and failures of his diplomatic efforts, it becomes essential that an evaluation of the factors that led to these successes and failures of diplomacy be attempted. Such an evaluation will suggest the strengths of the General's work which influenced his successes, but it must deal more particularly with weaknesses which led to the more numerous failures of diplomacy which characterize the General's efforts.

The first indication of a basic weakness in Odlum's performance as a Minister/Ambassador is to be found in many of the great number of despatches and personal letters which he sent back to Canada (often totalling well over four hundred separate items per year). Throughout his tenure in Chungking Canada's representative continually re-iterated his belief that the role he was playing in China was one of an "honest reporter" of the Chinese scene to the Canadian government. As has been documented previously, Odlum's reporting can hardly be considered to be as totally "honest" and unbiased as he so often claimed it to be. For whatever reasons, the General chose to accept almost everything told to him by members of the Central Government as the complete truth. In turn, he reported this information to Ottawa, seemingly without checking it further, thus giving it his own stamp of authenticity. This was a particularly dangerous approach to take, given the rather dubious criteria upon which the General often decided whether or not to trust

someone.[1] When this attitude was combined with Odlum's unwavering belief in what the Generalissimo chose to tell him, the result was that the view of events occurring in China, being received by External Affairs, was one which definitely favored the Kuomintang "side" of any question, almost to the exclusion of any other points of view.

Whether or not the General felt that such an interpretation of events was being consistent with his second stated criterion of his despatches--that is, "giving China the benefit of the doubt" (an attitude which seems to contradict directly his equally strongly stated view that he was being an "honest reporter" in his despatches)--is impossible to state. However, what seems to be abundantly clear is that no matter how unbiased and/or pro-Chinese Canada's representative perceived himself, his writings both to the Canadian Government and to personal friends do not substantiate that view.

Yet another weakness of General Odlum's diplomacy in Chungking was predicted by Norman Robertson when he said "his assurance and confidence in his own judgment is, however, rather frightening."[2] This confidence became readily apparent in the General's refusal to accept advice and suggestions (or even statements of personal opinion, in some cases) from ambassadors who had been in China longer than he. Throughout his writings Odlum developed his own personal view of the

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[1] For example, in a letter to Reverend James Endicott, General Odlum commented: "His [Chiang's] eyes, so delightfully animated, with such keen perception and such an instantaneous signal of each perceptive act, intrigue me. They are direct steady eyes. I instinctively trust them." from:
V. W. Odlum Personal Papers, Letter to Reverend James Endicott, June 8, 1945.

[2] Canada, National Archives, Ottawa, Vol. 310, File 3291, Odlum, Memo from Robertson to the Prime Minister, January 18, 1943.

China situation and adamantly refused to alter it in any other than miniscule ways. The basic framework of these opinions remained virtually unchanged throughout the war, despite evidence to the contrary and the efforts of even some members of his own staff, such as George Patterson. That an ambassador should take such an attitude virtually guarantees that his government will not receive the balanced, analytical reports which it has a right to expect.

One obvious consequence of Odlum's approach was that the Canadian government received a very one-sided view of the crucial question confronting China: KMT-CCP relations. Early in his tenure in China, Odlum decided that the nature of his official position required him to support the Nationalist government, and thus, by his own standards, this meant excluding himself from contact with or appreciation of the position of the Communists. As a result, this anti-Communist stance, in concert with the man's own self-assurance, led both Odlum and the Canadian government to a position regarding the CCP which was not only unrealistic but potentially very dangerous. While General Hurley was American ambassador in China, Odlum's views may well have received a "hearing" among the diplomatic corps at Chungking; or at any rate Odlum believed his views were being received warmly by Hurley.[3] However, had General Marshall allowed himself to be swayed by them, the ramifications might well have been disastrous. Since Odlum was so firmly fixed in his opinions, and given his tendency to discuss his views with his American counterparts, he found his last months in China quite

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[3] Canada, Department of External Affairs Archives, Ottawa, File 25-D(s), Appreciations of China Situation, Despatch from the Embassy in Chungking, June 1, 1945.

frustrating--having nowhere near the influence that he felt he had had with Hurley.[4]

Tied closely with Odlum's overconfidence in his own ability was a concommitant negation of the ideas and views of his subordinates when they disagreed with his own. One need only allude to Odlum's reaction to what he viewed as Palmer's "treachery" in mid-1945[5] to characterize the General's view of his relationship with those who worked for him. If one is to believe Palmer and Chester Ronning, another staff officer who was in China at the same time[6], the role that Odlum saw for his staff was one of total support for himself, while he assumed the responsibility for either writing or approving everything that went from the Chungking embassy to Ottawa. In such a case the possibility of External Affairs receiving a balanced, unbiased account of events and their repercussions in China became, at best, remote.

Another area in which Odlum felt he had a contribution to make was in suggesting solutions to a large number of problems which had plagued China for centuries. These included areas such as educational reform, improvement of agriculture, more efficient tax collection, modernization of the system of writing Chinese, and so on. What these various foci

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[4] Interview with Chester Ronning, Camrose, Alberta, 16 October 1976.

[5] In mid-1945 Captain Frederick Palmer was sent to China to prepare a report on economic conditions and post-war trade prospects of a Sino-Canadian nature. When his report was never made available to Odlum, and Ottawa began taking steps which were contrary to the General's advice, Odlum undertook a vigorous and brutal attack (contained in his despatches of September 26, 1945) not only on the report itself (based on what he believed it to contain), but also on the personal character of Captain Palmer.

[6] Interview with Chester Ronning, Camrose, Alberta, 16 October 1976.

indicate is another peculiarity of the ambassador's personality--his belief in his own ability in and knowledge of almost every field of human endeavor. Very few men would have felt themselves sufficiently qualified to advise a foreign government on such a diversity of topics as Odlum broached to the Chinese. Unfortunately his knowledge did not "match" with his confidence in it, with the ultimate result that the solutions which he suggested were either overly simplistic ("adopting birth control would merely be approaching China's great task the easy instead of the hard way"[7]), or based on a Canadian context which had little or no relevance to China (such as his suggestions for improvements in agriculture based on Canadian practice). In either case, no matter how well-intentioned his solutions may have been, they were almost totally useless to the Chinese, as most observers (either Chinese or Canadian) would no doubt have pointed out to him if the ambassador had allowed them to do so.

A further complicating factor in terms of Odlum's success as a diplomat was his inability to fit readily into the accepted methods and attitudes of the Department of External Affairs. On a number of occasions during his diplomatic career the General overstepped his authority by such measures as setting up economic contacts and/or agreements without gaining prior Canadian government approval (as in the case of Westinghouse involvement in the Szechwan power project), or approaching the Chinese government with a military plan, which would require significant Canadian involvement, before broaching the subject

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[7] Canada, Department of External Affairs Archives, Ottawa, File 5741-40c, Economic and Financial Consitions in China, Despatch from the Embassy in Chungking, December 30, 1943.

to Ottawa (as was the case with the Hong Kong-Canton attack plan), to quote only two examples. If this was the attitude that Odlum took toward his superiors, it is doubtful that they looked forward to receiving correspondence from him, and this attitude no doubt colored any "hearing" that his various proposals received in Ottawa.

One final way in which Canada's representative might have strengthened his position while in Chungking was by learning to speak Chinese. While this is not a damning fault, it is one method by which the General might have increased his appreciation of the China "scene" and possibly made himself less dependent on the translators and translations provided for him by the Nationalist government. Even though such mastery was not essential to the position, and despite the fact that Odlum had other Chinese speakers on his staff, because much of his own style of diplomacy was carried on at a "one to one" level, it seems peculiar that he never felt the need to learn (or ever expressed an interest in learning) even the most basic terminology that he might encounter in his daily activities.[8]

All of the above is not meant to imply that General Odlum was a total failure as a diplomat in war-time Chungking. To his credit, the General's diplomacy must be commended for its impact on certain aspects of Sino-Canadian relations. On several occasions his recommendations as to the "path of least resistance" on contentious issues served Canada well and formed the basis of mutually agreeable Sino-Canadian policies. In cases such as the question of arms shipments to China, the advice of Canada's representative served as the cornerstone of Ottawa's policy for

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[8] Interview with Chester Ronning, Camrose, Alberta, 16 October 1976.

almost a year, until American training of Chinese troops provided sufficient cause to change Canada's attitude toward providing their armaments. Odlum's approach to the question of a Canadian policy on immigration of Chinese ultimately proved to be the one favored by both sides, and became official government policy from 1947 to 1949. Finally, the Ming Sung Company-Canadian government shipbuilding agreement, initiated by Odlum and recently brought to a satisfactory conclusion,[9] heralded a long and fruitful series of economic and trade contacts between Canada and China which were never developed because of the success of the Communist revolution.

Among the greatest strengths of Odlum's career in China (because it was an area in which he achieved notable success) was his continuing effort to promote Canada to all those with whom he came into contact. By his own admission and that of such prominent Chinese as Madame Chiang Kai-shek, Odlum made his hosts, as well as his fellow diplomats, much more aware of the potential of Canada, not only in a political sense as a war-time ally, but also in the realm of post-war trade and as a supplier of services and goods that would be needed to bring up the level of China's economy. It was in this area that Odlum expended most effort. Of particular note, if one believes what the General has written in his despatches,[10] were the limits to which he went, both in

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[9] M. D. Copithorne, "The Settlement of International Claims Between Canada and China: Status Report", Pacific Affairs 48 (Summer 1975): 234.

[10] External Affairs Archives, File 25-D(s), Despatch from the Embassy in Chungking, January 27, 1944.

his own personal conduct and in that of the embassy and staff, to see that no action taken by any representative of the Canadian government should ever lead to criticism or complaints being directed toward Canada. As far as Odlum was concerned, the result of all this "good work" for Canada by himself and the other Canadians on his staff was that he had gained some measure of influence on Chiang Kai-shek--a belief which he constantly re-iterated in his despatches and letters. This is, however, an opinion which must be questioned in the light of Chinese pre-occupation with Britain and the United States. That a Canadian diplomat could have had the degree of influence Odlum ascribes to himself is very doubtful, given the rather powerless "bargaining position" of Canadians in China compared to their British and American counterparts. However, this apparent inconsistency notwithstanding, it must be conceded that the General's efforts to strengthen the name and reputation of Canada both among the Chinese and among other foreigners in Chungking are a definite credit to his period in China.

To categorize Victor Odlum's diplomatic career in war-time China as a successful one is not possible, given the weaknesses of the man's diplomacy and the failures that these weaknesses produced. However, it would be equally wrong to neglect the number of tasks which he performed as well as could have been expected of any Canadian diplomat in Chungking. It seems evident that the General, although not one of the more powerful diplomats on the China "scene", did whatever was asked of him (and often more) to the best of his ability, within the limits of Canada's position vis à vis China, the United States, and Great Britain. Only in the realm of Canadian perceptions of the Chinese communists might the General's diplomacy have had long-term disastrous results for the

Canadian government, and this is a hypothesis which is not yet and may never be proved. What is striking is the lack of recognition accorded General Odlum either in Canadian history books, or, more importantly, by the Government of Canada. Odlum appears to be a "forgotten man" as far as most chronicles of Canadian external relations are concerned. This is especially interesting in cases such as the brief history of Sino-Canadian relations prepared by the Department of External Affairs for a visit of Canadian media personnel to China in October, 1974[11]. Despite devoting several paragraphs to pre-Korean War relations, General Odlum and his work are never mentioned. This thesis was undertaken in an attempt to "shed some light" on one aspect of Sino-Canadian relations that had never been investigated before. A resulting conclusion seems to be that both the man and his efforts in China deserve more publicity and greater study than they have so far received. Hopefully this work will motivate such efforts by other students of Sino-Canadian relations.

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[11] Department of External Affairs, Ottawa, "Visit of a Canadian Media Delegation to the People's Republic of China", 1974. (Mimeographed.)

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APPENDIXES

APPENDIX I

M E M O R A N D U M

For: THE UNDERSECRETARY

DIGEST OF INTERVIEWS HELD BY GENERAL ODLUM IN NEW YORK AND SUMMARY OF TENTATIVE CONCLUSIONS REACHED

During his stay in New York the Canadian Minister to China had conversations with over one hundred and twenty individuals, Chinese and Americans, who had special knowledge of conditions in the Orient. For convenience of reference a brief summary is given below of the interviews upon which General Odlum has reported.

(1) Mme. Chiang Kai-shek

(a) Between the people of China and those of Canada lies a sound basis for an enduring bridge of goodwill.

(b) Canada is in a position to promote happier relations between China and Britain if she will make full use of her opportunities to exert an influence for tolerance and understanding in Empire councils.

(c) China appreciates Canada's position in the pool of the United Nations and realizes that she by herself is not free to take practical steps to meet China's material needs.

(2) Lin Yutang

(a) The rumour current in the United States that the Chinese have not been fighting is probably due to the fact that the best of Chiang Kai-shek's armies are stationed along the bend formed by the Yellow River near Sian, the point from which the Communist Army might make entry to the south and advance on Chungking.

(b) The Chinese people are very dissatisfied with the "fight Hitler first" attitude of Britain and the United States. They feel that the United Nations do not intend to fight a decisive war against Japan.

(2) Lin Yutang

(c) The Chinese resent the truculent and overbearing attitude of the whites (particularly the British) in Shanghai.

(Note: General Odlum felt that Lin Yutang takes far too critical an attitude towards the white races and that in his strivings for recognition he frequently makes exaggerated statements in the Bernard Shaw style.)

(3) Mme. Wellington Koo

General Odlum reports that Mme. Koo is highly critical of Canada and of all white races. She impressed him as being a publicity seeker and intriguer, not to be taken too seriously. She is Mr. Hussey's chief "contact" in Chinese circles.

(4) Dr. Hollington Tong (Chinese Vice Minister of Information)

Dr. Tong is prepared to go a long way in order to establish direct communication between China and Canada. The Chinese News Service in New York is receiving broadcasts from Chungking through a pick-up station in California and is permitting the American Associated Press to have weekly periods on its transmitter. The same privilege would be gladly accorded to Canada.

(5) Dr. Hu Shih (former Chinese Ambassador to the United States)

Dr. Hu Shih impressed General Odlum as being highly intelligent and capable, but more of a scholar than a public official. The Canadian Minister endorsed the opinion frequently expressed that Dr. Hu Shih had been replaced as Ambassador because he was not "tough" enough.

(6) Dr. K. C. Li

Dr. Li, the leading Chinese businessman in the United States, is wealthy, shrewd and trustworthy. He gave General Odlum a great deal of information about the new Chinese forces now being armed and trained in India.

(7) Dr. Li Yu Ying (President of the Chinese National Academy at Peiping)

Dr. Li Yu Ying is now in the "elder Statesman" class and no longer takes an active part in public affairs, having retired for the purpose of producing a work which will cover all Chinese knowledge and philosophy.

(8) Dr. Kinn Wei Shaw (Secretary General of the Chinese American Institute of Cultural Relations)

An energetic, good natured and quite well educated man, rather ambitious and somewhat academic in his plans.

(9) Dr. Wei Tao-Ming (Chinese Ambassador to the United States)

A very capable man, though probably not the equal intellectually of his predecessor, a man who "knows how to dissemble as well as any other Chinaman I know." General Odlum feels that this man will make few mistakes and that whatever he does will be done with dignity.

(10) Harry Hussey

This gentleman appears to be popular with Mme. Wellington Koo, but has little prestige among the other members of Chinese officialdom with whom the Canadian Minister talked.

(11) Pearl Buck

(a) The Chinese are completely disillusioned. Their long-standing hostility to Britain has taken a new form in present day hostility to Mr. Churchill, because they feel that he does not intend to fight Japan at all and has no real interest in driving the Japanese from China. They feel that Mr. Roosevelt is dominated by Churchill. The Chinese situation is fraught with dangerous possibilities - China may decide after the war to make herself a strong military nation and may in the end be found as an active member of an Asiatic coalition which will be a serious threat to the white race.

(b) The Chinese are hurt not so much by the failure to get supplies to them as the failure to give them recognition as an equal ally.

(c) There is a very real understanding between India and China. Chiang Kai-shek has great sympathy for India and is a strong supporter of Indian independence.

(d) Cooperation between Russia and China is not so close as often thought. Stalin has referred in contemptuous terms to Chiang Kai-shek. Russian assistance in the past has been given to the Communist Army in China rather than to China as a whole.

(e) There is complete cooperation at the present time between the Chinese Communist Army and Chiang Kai-shek, but it is highly problematical whether it will continue after the war. If Russia were to denounce the Communist parties in all countries, including China, it would effectively destroy the value of the Communist Army and would quickly place Chiang Kai-shek in control of the whole country.

(12) Mr. Walsh (husband of Pearl Buck and publisher of "Asia")

(a) Mr. Roosevelt's statement that more lend-lease goods have been sent to China by air since the loss of Burma than

(12) Mr. Walsh (husband of Pearl Buck and publisher of "Asia")

ever went over the Burma Road is simply not true. Practically nothing has got through to China. There are only about 40 planes in operation and these can only deliver about one ton of effective material per trip.

(b) Mr. Willkie was accorded a warm reception in China, but Mr. Gauss, the American ambassador, is highly unpopular and his conduct on the occasion of the Willkie visit did nothing to raise him in the esteem of the Chinese.

(13) Mr. Eliot Janeway (political writer for "Fortune")

(The following remarks seem to have been based on information received from Maurice Hindus who has recently returned from Russia and with whom Mr. Janeway has been in close contact.)

(a) German losses at Stalingrad were about 200,000 men. Russian losses have not been disclosed but were very heavy.

(b) There has been no serious fighting at all outside of that around Stalingrad. The Germans have been retiring and the Russians following almost without contact. The Germans have been driving the people westwards ahead of the armies.

(c) Russia's object is to drive the Germans from Russian territory. Once this has been accomplished, she will drop out of the war.

(d) The spirit of Russia today represents a return to the old "Fatherland" spirit and is an almost complete renunciation of the Revolution. The Communist party itself has been wiped out. The old church life has been restored. Russia has nothing in common with the objectives of Britain and the United States.

(e) Russia is seething with resentment against Churchill.

(14) Sir John Dill

(a) Recently, the Chinese have not been fighting seriously. Sir John praises Chiang Kai-shek and the Chinese rank-and-file but condemns their political leadership.

(b) The Americans are doing a good job in training and equipping a Chinese Army of around 100,000 men in northeastern India, but the morale of the Indian troops is being weakened by the contrast between the excellent and abundant equipment being given to this Chinese army and their own meagre material.

(15) Eugene Lyons (Editor of the "American Mercury", author of "Assignment in Utopia")

(a) It is disquieting to note how general is the criticism of England in the United States. It is everywhere and it is unreasonable, particularly in view of the current "raves" over Russia, a country which has nothing in common with the American way of life.

(b) It is not a long time agreement between Russia and Japan but rather a cold hard realism on both sides which maintains neutrality in Siberia and Manchuria. Russia will respect no treaty beyond the period of its usefulness to Russia. She has been sitting back and encouraging and, if necessary, lending aid in order to maintain strife between other countries.

(c) Mr. Lyons expressed serious doubts about the Chinese Government and military leadership.

(16) Mr. George Taylor (Office of War Information) and Mr. C. V. Starr (Editor of the Shanghai Evening Post)

(a) Chinese of the coolie class, who now form the army, have the capacity to be trained into good soldiers. So far, between poor leadership, lack of weapons, shortage of essential supplies, and a nearly complete failure of the medical service, they have not had a chance. They have plenty of courage, endurance and obedience but are poorly trained.

(b) There is absolutely no chance that China will throw in her hand and quit the war, either by merely passively ceasing to fight or by coming to an agreement with Japan. Reports of the imminent collapse of Chinese resistance are probably just a symptom of China's decision to "play tough" in imitation of Stalin, in hopes of forcing her western allies to come to her assistance with increased supplies.

(c) There are big divisions in the Chinese Government, but they are no more serious than the bureaucratic divisions and quarrels in Washington. Chiang Kai-shek is supreme.

(d) Chiang has become a really great man, his power being due not so much to intellect - though he is an intelligent man - as to character, courage, and determination.

(e) Guerilla activity continues throughout the occupied area with reckless disregard for life.

(f) Mme. Chiang's visit to the United States has not been an unqualified success. So far she has received plenty of sympathy but no planes.

(16) Mr. George Taylor and Mr. C. V. Starr

(g) Chinese bitterness towards the British has largely disappeared.

(h) Democracy does not begin to exist in China nor will it for a long time yet. The Communist - Nationalist split is very real.

(i) The Chinese forces training in India do not number more than 30,000 men.

(j) There can be little improvement in China until Burma and the Burma Road are retaken. A new road, some distance north of the old one, could be completed and put into operation within six months after the recapture of Burma. Supplies and equipment, including booster engines, for a four inch pipeline are already in India and the opening of such a pipeline would tremendously relieve congestion on the Burma Road.

(k) The old Chinese weakness - venality - still flourishes even in high places.

(l) Inflation cannot be stopped. The small Chinese middle class is suffering most from it.

(m) Directness and frank sincerity are valuable in dealing with the Chinese, even though they themselves find it hard to be direct.

(n) The success of Sir Archibald Clark-Kerr, former British Ambassador to China, was based upon his ability to get about the country and do the unconventional and unexpected thing.

(o) Mr. Starr is planning to publish his "Shanghai Evening Post" in Chungking.

(17) Miss Agnes Smedley (former representative in China of the Frankfurter Zeitung, who worked for many years among the Chinese Communists)

(a) Canada is of little account either to the United States or Britain. A Canadian Legation in Chungking can serve no useful purpose.

(b) Russia will fight only until she has freed her own soil. There is good reason for her to hold aloof from the United Nations and for her distrust of Britain and the United States.

(c) Miss Smedley hates China's bankers and ruling clique. She has no use for the Soongs. She regards as the most dangerous elements in China the Chen brothers, the Minister of Finance (Dr. Kung) and the Minister of War. Neither the present government nor the Army commanders want to see any improvement in the lot of the common people.

(17) Miss Agnes Smedley

(d) In China the United States is detested and distrusted only slightly less than Great Britain.

(e) The Chinese Communist armies are being liquidated by starvation and sickness. They receive no assistance from Russia, which deals only with the Nationalist Government. The best Nationalist armies, totalling half a million men, are kept facing the Communist armies instead of fighting Japan.

(f) China's present leaders are far from democratic and some of the most prominent of them are deep in graft. The Burma Road, in particular, was a cesspool of corruption.

From his conversations with these and other prominent men and women familiar with conditions in China, General Odlum seems to have drawn the following tentative conclusions:

(1) The attitude of the Chinese with whom he talked has been friendly towards Canada, though critical of our Chinese immigration policy, and resentful towards Britain and to a smaller extent towards the United States.

(2) China needs the psychological spur of recognition more than practical help at the present time. The Canadian Minister has changed his views regarding the desirability of a Canadian gift of wheat to China. He has no longer any doubt of China's confidence in herself and in her ability to bring her war with Japan to a successful conclusion.

(3) There is a noticeable cooling of enthusiasm for Mr. Churchill in Russia, China, the United States and Australia. In these countries criticism is being directed against him rather than against Great Britain.

(4) Everyone of importance whom General Odlum met declared that the futures of China and of India are closely linked together. While his personal opinion is that there is a good deal of wishful thinking in this, he is more than ever convinced of the necessity of getting a true picture of India before he proceeds to China.

(5) There is a marked divergence of views between Britain and the United States on the subject of China. The Americans tend to paint everything about China in rosy colours, while the attitude of the British is just the reverse. The Chinese themselves condemn the British and praise the Americans. In "inside" Department of State and Army circles, the Americans are just as critical of China as the British - perhaps even more so - but for policy reasons nothing is said publicly.

(6) General Odlum's recent experience has merely strengthened his conviction that, if possible, a plane should be assigned to the Legation in China so that it will not be dependent upon Britain and the United States for communication with the outside world. Furthermore, in view of the fact that road transportation in China is rapidly disappearing, a plane is almost a necessity if he is to carry out his avowed intention to see as much of China as possible.

(7) The Canadian Minister attaches great importance to the necessity of setting up radio communication between Chungking and Canada. He is anxious to secure for the Legation a man with practical knowledge of broadcasting, capable of securing technical information in the Chinese field and of supplying practical advice to the Canadian Government. This would be the initial step in providing (a) direct and permanent representation by the Canadian Press in Chungking, quite independent of the Canadian Government: (b) a press officer attached to and part of the Legation staff: (c) a technical broadcasting officer cooperating with the first two and being either a member of the Legation staff or an external arm of the Wartime Information Board - preferably the former.

(8) The Canadian Government could profitably consider the advisability of appointing a High Commissioner to India.

General Odlum obviously made very good use of his time in New York and Washington. His reports have been clear, inclusive, entertaining and intelligent. He seems to have produced an admirable effect on those he met and has made an excellent start on his duties as Canadian Minister to China.[1]

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[1] Canada, Department of External Affairs Archives, Ottawa, File 4526-40c, Appointment of V. W. Odlum as Minister to China, Digest of Interviews Held by General Odlum in New York, March 29, 1943.

APPENDIX II

CHUNGKING,
Oct. 25, 1943

Sir:

Canadian Program in China

In order to have an objective towards which to work and to give direction to our thinking on Canada's relations to China's problems, we have drafted a skeleton program for consideration. There is, and of course can be, no thought of finalising anything. Relations between Canada and China must grow, each twig in the growth taking its character and direction from the preceding one or ones. But we think it would be a good thing to know which way we are facing -- to get a sense of direction.

2. Naturally, any program must be divided into two, if not into three, major "period" classifications. I suggest

(a) War time.

(b) Transition period.

(c) Post-war.

The war time program is bound to be temporary in character, and to be dictated by circumstances rather than by policy. For instance, I believe that direct air transport between Canada and China should come first. But you tell me that circumstances, largely international and partially physical, make this impossible. Nevertheless, even though difficulties intervene, transportation should not be dropped from any enumeration of desirable projects.

3. There is no doubt that, even before transportation should come information; and it is on "information" that we are working at the present time. We are doing everything we think we can, taking the restrictions on movement into account, to unearth dependable information about the Chinese scene, and intentions, and to transmit it to you in understandable form. We could do much better if we had two more "tools" (omitting all reference to transport facilities for the moment); and these are a good map draftsman and a good camera. Both could save columns of words and still present a clearer picture. At first I thought Major Wooster, as an engineer could give me the map background necessary, but that is not his forte. When we first arrived, I asked for a good map of Chungking -- there are none to be bought or to be secured from the Government -- with all the localities and offices in which we are interested clearly marked. But I have not got it yet. A young military "other rank" draftsman would be invaluable. About a camera I need say nothing. You will understand its value just as well as I do.

Secretary of State for External Affairs,
Department of External Affairs,
OTTAWA, Canada.

4. With these introductory comments, I submit a condensed skeleton of what might represent a "first draft" of a program for Canada's activities in China:

I. WAR PERIOD

(a) Systematic collection and exchange of information.
(b) Emergency Air Transport either, and preferably, by Siberia or from India.
(c) An Air Unit or formation operating in China and using planes manufactured in Canada.
(d) An Army Formation operating as part of a South China United Nations Force.
(e) Red Cross Supplies -- emphatically goods, drugs and instruments made in Canada, and not money.
(f) A C.A.M.C. unit equal to a divisional medical formation, operating with the Chinese Army.

II. TRANSITION PERIOD

(a) Chinese railroad students to be given training on Canadian railway lines.
(b) Chinese engineering, electrical, chemical, agricultural and other specialist students to be placed in selected Canadian industries and institutions, the financial cost involved to be borne, according to an agreement to be worked out, by the student, the Chinese Government, the Canadian Government (as a trade promotion expense) and the industry concerned.

III. POST WAR PERIOD

(a) Amendment of the Chinese Exclusion Act.

(b) Establishment of a permanent air route to China via the Mackenzie Basin, or Alaska, and Siberia.

(c) Re-establishment of Canadian ocean service to China.

(d) Negotiation of a treaty to give Canadians and Chinese reciprocal trading, industrial, investment and property owning rights, perhaps including recognition of medical and legal qualifications with certain restrictions, in each other's country.

(e) Exchange of groups of University students, with scholarships for Chinese students to travel in Canada and prizes for accepted theses on Canadian industries and trade.

(f) Exchange, for limited terms to be mutually agreed upon, of teachers and professors.

(g) Establishment of a Canadian demonstration and sales center for pure bred Canadian stock -- cows, bulls, sheep and pigs -- located on or near the coast, in the vicinity of Shanghai

Canton with branch centers where suggested by experience; the initiation of the scheme to be emphasized in the public mind by the gift (from Canadian breeders) of stock to supplement Madame Chiang Kai-shek's "Sons of the Revolution" herd.

(h) Establishment of a permanent demonstration and sales center for Canadian machinery and factory products, to be operated close to and in association with the pure bred cattle center, the two together to be a focal point for Canadian commercial and publicity activities in China.

(i) Appointment of a Commercial Attache or an Economic Adviser at the Canadian Legation, with Trade Commissioners stationed where experience and opportunities suggest.

(j) Organization of annual exchange tours of members of parliament, legislators, members of the bench and the bar, boards of trade, manufacturers' and bankers' associations; and by army, air force and naval officers, journalists, and university, sport and cultural groups.

(k) Establishment, with the financial assistance of trade and industrial organizations, of annual scholarships for theses on Canadian economic, historic, literary, scientific and cultural subjects, written by Chinese students in either Canadian or Chinese universities; the awards to be made by a committee representing both Canadian and Chinese universities.

(l) Establishment of chairs of Oriental studies, with emphasis on China, at
    (1) University of British Columbia,
    (2) Toronto University
    (3) McGill University, and
    (4) Any other Canadian university that will cooperate financially with a scheme to be drawn up by the Dominion Government in conjunction with the various provincial departments of education.

(m) Publication by the Dominion Government of an annual review of Canadian-Chinese interests and activities, with a detailed and descriptive analysis of the growth and classification of Sino-Canadian trade; to be accompanied by material provided by both Canadian and Chinese Departments of Trade and Commerce designed to foster and further growth of trade. The review to be distributed in Canadian and Chinese government, university, journalistic, trade, banking and financial centers.

(n) Institution of a technically first class moving picture presentation of Canadian industry and products, with the sound track in Chinese; the whole good enough to get theatre releases and to be used in institutions, in private homes and by lecturers.

(o) Miscellaneous publicity -- see memorandum from Dr. L. G. Kilborn sent to you with despatch No. 43 dated 31 July/43.

I have the honour to be,
Sir,
Your obedient Servant,[2]

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[2] Canada, Department of External Affairs Archives, Ottawa, File 4851-40, Canada-China Relations: General, Letter from Odlum to the Secretary of State for External Affairs, October 25, 1943.

APPENDIX III

GSP/FR
2/11/45

COMMUNICATIONS RE COMMERCIAL REPRESENTATIVE IN CHUNGKING

Dec. 24/42 — The Prime Minister agreed with suggestion of Minister of Trade and Commerce that a Commercial Attache should be added to the Legation staff of the new Legation in China.

Sept. 25/43 — Despatch No. 116 from Chungking. General Odlum says - "I think the time has come when you should seriously consider the appointment of a Commercial Attache by this Legation."

Sept. 26/43 — In Despatch No. 117 dealing specifically with Ming Sung Company, General Odlum recommended that a high grade Commercial Attache or Economic Adviser be sent to China, and as soon as possible a Minister to deal with peace and trade period.

Nov. 2/43 — In a letter to the Under Secretary, the Minister of Trade and Commerce suggests appointing Paul Sykes, Trade Commissioner in Bombay as Commercial Attache to the Legation in Chungking.

Nov. 10/43 — Telegram No. General Odlum was advised of Trade and Commerce proposal. "I hope you will approve of this appointment."

Nov. 30/43 — Despatch No. 230 - "A trade attache, with specialist helpers, should be attached to the Legation, and I should be supplied with a policy and equipment sufficient to make the work effective."

Dec. 9/43)
Jan. 5/44) — Acting Deputy Minister of Trade and Commerce wrote to ask Under Secretary for comments on proposal to appoint Mr. Sykes.

Jan. 17/44 — Telegram No. 10 - asks for reaction to Despatch No. 117 of September 26/43 and three other despatches. "Need is for someone above Trade Commissioner's level. Initial contact should be steered by outstanding and successful business man."

Feb. 12/44 — Telegram No. 27 to Chungking stated that Trade and Commerce suggest sending Mr. Sykes for two months for preliminary survey and for advice as to desirability of appointing a continuing Commercial officer to the staff.

Feb. 15/44 Telegram No. 30 from Chungking - General Odlum does not question Syke's efficiency as a Trade Commissioner but believes at this time a Trade Commissioner will not do. He emphasizes need for a business man of outstanding calibre to make a preliminary reconnaisance of major factors.

April 19/44 The Under Secretary in a letter to Acting Deputy Minister of Trade and Commerce recalls "that on Feb. 25 we discussed at some length the question of future trade between Canada and China particularly in relation to General Odlum's request that a representative be sent to Chungking to study trade possibilities." He refers to General Odlum's telegram No. 30 of Feb. 15 and asks for some indication as to most useful course to follow.

May 2/44 Reply from Acting Deputy Minister of Trade and Commerce to Under Secretary: "As you know, General Odlum has suggested that a prominent industrialist should go to Chungking for this purpose, rather than entrust a Trade Commissioner with these duties. While there is much to be said for such a proposal, particularly under normal conditions, it is my opinion that, as in the next few years trade with China will be largely under Government supervision, if not under direct control, we should send a Trade Commissioner, preferably one with a knowledge of the Orient.

May 6/44 Telegram No. 92 to Chungking - Careful consideration has been given to your suggestion that a prominent businessman might go to China on a special mission. There is much to be said for this proposal and it will be explored further but in the meantime it is felt that as most of the trade in the immediate future and in the early postwar period will be under Government supervision it would be of advantage to have investigations into commercial and economic matters conducted by a Government official familiar with both war-time industrial growth in Canada and recent administrative developments in Ottawa. Department of Trade and Commerce, therefore, are endeavouring to arrange for a senior Trade Commissioner (preferably one with experience in the Orient and adequately briefed on likely Government policy toward postwar trade) to be assigned to Chungking on temporary basis.

May 8/44 Telegram No. 95 from Chungking - "I accept your view without hesitation."

June 17/44 Letter from Under-Secretary to General Odlum - "The Department of Trade and Commerce is now considering the possibility of sending one of its junior Far Eastern men out with some senior man, either from the Commercial Intelligence Service or outside it on a temporary basis. I hope that this plan can be worked out satisfactorily and that someone can be sent out soon to do this important work."

July 18/44 R. McKee, Managing Director of Canada Grain Export Co. Ltd. Vancouver, wrote H. Norman Davis, Assistant General Manager, Ogilvie Flour Mill, Co. in reply to Mr. Davis' letter of July 13 covering conversation with Mr. Master:

"...It seems to me, after an experience of over thirty years in the Oriental Markets that any post-war trip to the Orient should be deferred until:

(a) It is determined how business can be done. I mean by this whether it is to be done between private firms as in pre-war times, or between Governments, or,

(b) Whether private firms are to do the business as agents for their respective Governments, based on credits arranged between the respective governments.

No one need visit the Orient to be assured as to the potentialities of the market. Past experience has taught us all we need to know in this respect. Moreover, we all know that, after the war, there should be a far greater demand from that market than ever before. It is all a question of how the merchandise can be paid for. This does not mean that I think no one should visit the Orient in the interests of post-war trade. I merely mean that any such visit should be deferred until it can be effective.

Dealing specifically with the point in your letter, I can only say that when the proper time arrives to send a man or men to the Orient on behalf of the Department of Trade and Commerce, such man or men will be available.

Today, however, such time appears to be more than a year ahead. Meanwhile, my opinion is that no one should be even considered until it is first decided what practical things could be done by anyone who might be chosen for this work.

Aug. 1/44 Memo from Mr. Keenleyside to Under Secretary:
"Mr. Croft suggests that Mr. Palmer, Trade Commissioner in Australia be selected as the trade specialist to go to Chungking for the purpose of making a study of future commercial possibilities. - He would not be available for a continuing appointment in the Orient."

Aug. 17/44 Letter from Acting Deputy Minister of Trade and Commerce to Under Secretary in line with Mr. Keenleyside's memo of August 1.

Aug. 26/44 Telegram No. 180 to Chungking - General Odlum informed of proposal of Trade and Commerce re appointment of Mr. Palmer.

Aug. 30/44 Telegram No. 202 from Chungking - "I know Palmer well as an outstanding man of fine character and one with whom it would be a pleasure to work. I still hope action now proposed will not interfere with eventual visit to China by leading business men or group."

April 3/45 General Odlum wrote the Under Secretary re Mr. McKee's letter of July 18, 1944.

> "I know Mr. McKee very well indeed. He is an excellent business man and has been very successful. He is not, however, the type of man I was hoping would be sent to China to spy out the land. Mr. McKee is an importer, one who buys and sells. What I wanted was an operator, a man who could look at an industrial venture and weigh its possibilities with a sense of personal responsibility. I have always had in mind Mr. H. R. MacMillan of Vancouver as the perfect example of the businessman who could play the role I envisage."

April 18/45 Telegram No. 104 from Chungking - "Palmer arrived today."

April 28/45 Mr. Mackenzie, Deputy Minister of Trade and Commerce wrote the Under Secretary in reply to a letter with which was enclosed General Odlum's letter of April 3/45:

> "While I am in entire agreement with the Ambassador that it would be desirable for one or more leading Canadian Business men to visit China, I question whether the present is the appropriate time."

May 2/45 General Odlum was informed of contents of Mr. Mackenzie's letter of April 28, 1945.

June 9/45 In Despatch No. 185 - General Odlum says Captain Palmer expects to stay for only a comparatively short time. "May I be informed as to the policy which it is proposed to follow after Captain Palmer leaves.

July 10/45 Telegram No. 149 from Chungking - "In your despatch no. 185 of June 9 you enquired as to the policy to be followed after Palmer leaves. The question is under active consideration. An appointment is expected to be made as soon as possible although it may take some time to arrange for suitable personnel."

July 9/45 Despatch No. 250 from Chungking. - "I have just learned from Captain F. Palmer that the Department of Trade and Commerce has approved his return to Canada via England the last week of this month. The Department has not as yet been able to name his successor. I sincerely hope that a good one, of ability, character and presence, will be secured at an early date. ... We both agree that a Trade Mission should visit China not long after the British Trade Mission has been here. That mission proposes to come the end of the year."

July 22/45 Telegram No. 189 from Chungking - "Palmer left for Calcutta today en route home."

Sept. 24/45 Telegram No. 278 from Chungking: General Odlum states that "changing circumstances and unexpected difficulties have delayed the whole programme of moving to the new capital in Nanking. In view of this delay I suggest new staff should be assembled rapidly, ready for winter work. I would like to have senior and Commercial counsellors as quickly as it can be arranged."

Sept. 26/45 The Under Secretary wrote Deputy Minister of Trade and Commerce forwarding General Odlum's request.

Sept. 27/45 Telegram No. 217 to Chungking. General Odlum was informed of the transmitting of his recommendation concerning the Commercial Counsellor to Trade and Commerce.

October/45 In his report to Trade and Commerce, Mr. Palmer recommends that "there should be a Senior Trade and Commerce representative in Shanghai with the rank of Consul General; a younger man - a commercial secretary - should be assigned to the capital to keep in touch with developments in laws and regulations. There should also be a young vice-consul sent to Shanghai by the Department of External Affairs to look after passport work. ... Living quarters of the Commercial Secretary in the capital should be independent of the senior diplomatic representative, partly so that reciprocal entertainments could be private. His office should be in the Chancery but he should have his own files, his own chief clerk and translator and his own private secretary who should be a British subject, preferably a Canadian. He should have access to the diplomatic typist or "pool". He should be free to seal the letters he sends to Trade and Commerce.

Oct. 3/45 Letter from Deputy Minister of Trade and Commerce to Under Secretary. Having gone through the list of trade commissioners who might be available for the position of commercial Counsellor in Chungking, Trade and Commerce have come to the conclusion that it would be highly desirable if they could now secure the services of an

outstanding businessman for an interim period of a year or two. Steps to that end were progressing and it was hoped that further information would be available before long. The letter also stated that Mr. W.E. Jolliffe would enter the Department for a brief period of training, after he would proceed to China.

Oct. 6/45 — Letter from Mr. Wrong to Deputy Minister of Trade and Commerce quoting from a letter from General Odlum dated September 21. "I hope you will move heaven and earth to get a commercial counsellor out here pretty soon."

Oct. 8/45 — Telegram No.314 from Chungking - "Is Trade and Commerce proposing to act and do you approve of the suggestion I made? If not, a counsellor should be named at an early date and a commercial counsellor or an attache should be appointed at once.

Oct. 10/45 — Letter from Deputy Minister of Trade and Commerce to Acting Under Secretary to say that the Minister of Trade and Commerce has written to Mr. Robert McKee of the Canada Grain Export Company, Vancouver, asking that Mr. McKee undertake an assignment as special representative in China for a period of a year.

Oct. 11/45 — Telegram No.238 to Chungking - "After careful consideration of your recommendations Trade and Commerce are taking steps to secure services of outstanding businessman for an interim period of one or two years. He would go as Commercial Counsellor. They hope to give us definite information very soon."

Oct. 29/45 — In a telephone conversation with Mr. Patterson, Mr. Croft said that the Deputy Minister of Trade & Commerce was in Vancouver that week and would try personally to secure the services of Mr. McKee. We would be informed as soon as word was received.[3]

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[3] Canada, Department of External Affairs Archives, Ottawa, File 1461-40c, Commercial Relations Between Canada and China, Summary of Communications between Ottawa and Chungking about Appointment of a Commercial Representative, November 2, 1945.